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ABSTRACT

Two Senate Subcommittees conducted joint hearings in October and November, 1981, on federal vocational education and job training programs for youth. The Committees sought answers to the question of how the federal government should participate in building an effective and efficient work force. Witnesses who spoke at the hearings included Governor Pierre Du Pont of Delaware; Albert Angrisani and Robert Worthington, both Assistant Secretaries of Labor; Senator Larry Pressler of South Dakota; and representatives from the St. Louis Public Schools and the state education department of South Carolina. Governor Du Pont described Jobs for Delaware Graduates, a program for placing high school graduates and following up on them for 9 months, at a cost of only $1,500 per placement, compared to $6,000 to $15,000 for Comprehensive Employment and Training Act (CETA) programs and others. The program is being expanded nationwide as Jobs for America's Graduates. Angrisani and Worthington spoke about the need to coordinate vocational education and CETA programs, perhaps with vocational education playing the coordinating role. South Dakota has a very successful program of vocational education, according to Senator Pressler, with more than $12 in economic development realized for every $1 spent on training programs; however, federal regulations should be made less cumbersome in regards to funds distribution. The St. Louis and South Carolina representatives testified about effective programs in their areas linking vocational education and the private sector. (Texts of these and other prepared statements are included in the transcript.) (KC)

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VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS, 1981

JOINT HEARINGS

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

AND THE

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

EXAMINATION OF FEDERAL VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS FOR YOUNG PEOPLE

OCTOBER 21 AND NOVEMBER 24, 1981

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VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS, 1981

WEDNESDAY, OCTOBER 21, 1981

U.S. SENATE, SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES, AND THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,

Washington, D.C.

The joint subcommittees convened, pursuant to notice, at 10:05 in Room 1224, Dirksen Senate Office Building, Senator Robert T. Stafford presiding.

Present: Senators Stafford, Pell, Randolph, and Quayle.

OPENING STATEMENT OF SENATOR STAFFORD

Senator STAFFORD. This joint hearing of the Subcommittee on Education, Arts and Humanities and the Subcommittee on Employment and Productivity, chaired by my distinguished colleague, Senator Quayle, will please come to order.

Today, our joint subcommittee hearings will be on Federal vocational education and job training programs for young people.

I appreciate my colleague, Senator Quayle's initiative and participation in this effort to review the role of the Federal Government in these areas, and I look forward to a series of hearings to provide us with the information we need in both of the subcommittees.

The most important question before us today is how the Federal Government should participate in building an effective and efficient American work force. The security of our Nation is dependent on a well-trained, well-educated population. I do not believe it is inaccurate to say that the American public is growing more concerned about the state of our industrial capacity, particularly our ability to compete with foreign industry for important international markets.

Last week, I held hearings in Vermont to assess the views of Vermonters as to the impact of the vocational educational process and programs. The industry panel which opened the hearing reiterated what I have heard before; that is, the American employer is looking for an employee who has good work habits and strong basic educational skills. Employers believe that all the sophisticated job training programs imaginable are no good without a solid background in the basic skills: reading, writing, and arithmetic.

I know this emphasis on basic skills has been of concern to vocational educators, who have been particularly disturbed by recent

suggestions that the Federal vocational education program not be administered by the Department of Education. I want to assure those concerned that many legislators, including this Senator, strongly support retention of the Cabinet-level Department of Education, which would continue to have jurisdiction over vocational education programs.

Again, I look forward to working with Senator Quayle and other members of both the subcommittees as we commence our review of Federal vocational education and job training programs. I am hopeful that our witnesses today can provide us with much needed information about the current status of these programs.

Before I recognize Senator Quayle for an opening statement, may I tell all of our guests and our witnesses this morning that Senator Pell is unavoidably detained on the floor of the Senate. He is the minority manager of the foreign assistance bill that is there, being considered by that body, and that is the reason he is unable to be here.

Senator Quayle.

Senator QUAYLE. Thank you very much, Senator Stafford. I certainly want to compliment you for having these joint hearings. Vocational education, training and employment certainly relate to one another and to one of the very serious problems we have in this Nation today; that serious problem is youth unemployment—and more particularly, minority youth unemployment.

Just the very fact that we are having the joint hearing shows that there is some compatibility in the two programs. I certainly commend you for your leadership in starting the dialog to see what we can, in fact, achieve in any kind of reorganization or combination; what should be the goals, how we can get better efficiency, better management, and how we can interact more with the States. I am delighted that our leadoff witness happens to be Governor du Pont from Delaware, who has really taken a lead in this area. I am sure he is going to have illuminating things to say about some of the problems he has resolved in the State of Delaware.

The youth unemployment problems have worsened in this last generation, and it is something that this administration is interested in.

I think it is perhaps historic or novel that we have two assistant secretaries of different jurisdictional boundaries coming together today, who will be testifying after the Governor. I think that is remarkable, and I want to compliment you, Senator Stafford, on getting the two assistant secretaries together so we can talk about this very issue.

So, Senator Stafford, I know you will proceed in your usual thorough and deliberate manner, and I certainly want to support you in any way that I can. I certainly look forward to these hearings.

Thank you very much.

Senator STAFFORD. Thank you very much, Senator Quayle. This meeting has certainly been arranged as much through you as through me, and so we will share the credit or the discredit as it may turn out to be.

Our first witness this morning is Governor Pierre du Pont of Delaware.

I welcome Governor du Pont, not only as someone who once served in the House of Representatives at a time when I also was there, but as a State chief executive who has demonstrated imagination and initiative in going beyond the established approaches to employment training and education.

In his leadership in the jobs for Delaware graduates program, Governor du Pont has mobilized the public and private sector to enter into a unique cooperative effort to serve that State's young people. The program has achieved significant national recognition and only the other day, CBS News featured jobs for Delaware graduates on the morning news.

I commend Governor du Pont for his leadership and look forward to what should be very instructive testimony from him this morning.

Governor du Pont, we welcome you, and we are ready to hear whatever statement you wish to give us.

STATEMENT OF THE HONORABLE PIERRE S. DU PONT IV, GOVERNOR OF DELAWARE, ACCOMPANIED BY KENNETH SMITH, PRESIDENT, JOBS FOR AMERICA'S GRADUATES, AND DENNIS CAREY, DELAWARE SECRETARY OF LABOR

Governor DU PONT. Thank you, Mr. Chairman and Senator Quayle. It is a privilege for me to have the opportunity to spend a few minutes talking about a subject that I think is close to all our hearts, and that is, what to do about the very serious youth unemployment problems that exist not only in Delaware, but in every State in the Nation.

I have with me at the table this morning, on my right, Kenneth Smith, who is the president of Jobs for America's Graduates, about which you will hear a little more later, and on my left, Dennis Carey, Delaware's Secretary of Labor. These two gentlemen are resource people who I assume are going to have the answers to all your difficult questions, if I do not.

I am also privileged to appear this morning with Al Angrisani from the Department of Labor, a longtime friend who has been working with me in the vineyards, and Bob Worthington, who I do not know as well, but I think those two gentlemen have enough knowledge of what is going on in the system to far outshine what I have managed to learn in the last couple of years.

There is no doubt that youth unemployment is a cancerous kind of a thing in our economy. It is costing us money. It is costing us individual respect. It is costing us tremendously across the whole spectrum of the programs that we run. Of course, the best answer to youth unemployment is a vigorous economy that expands quickly enough to absorb all those who want work. President Reagan's economic recovery program is a good opportunity to get that kind of an economy. But I think overlooked in that equation is the fact that as these 13 million new jobs are created by the economic recovery program, we are going to have to have a substantial training effort to prepare the people seeking the jobs to fit into the jobs that are there.

So you, gentlemen, in the Senate and your counterparts in the House of Representatives and in the administration have an enor-

mous opportunity, with the expiration of the CETA and Vocational Education Acts. You have a chance to rewrite, rethink, and reprogram employment and training programs in the country.

I am not going to dwell on the staggering statistics of youth unemployment; you know them as well as I. I am not going to dwell either on the fact that we have spent tens of billions of dollars over the last 15 years, trying to solve this problem, and as Senator Quayle said, the problem today is worse than it was when we began. It is very clear, I think, that something is very, very wrong in the way we are running the system at the present time. The programs we have simply are not working.

I have had an opportunity as a Member of Congress, as Governor, as chairman of the National Governors' Association Subcommittee on Employment and Training, and chairman of the board of Jobs for America's Graduates, to look at this problem from a lot of different perspectives. And it seems to me that the only long-term answer to the unemployment problem in this country is reducing and hopefully bringing to an end unemployment among young people.

We have had a lot of experience with a variety of programs, and it just seems to me that the best strategy is the strategy of prevention. We have tried remedial programs. We have tried remedial programs of every imaginable kind. They are expensive; trying to catch up and update someone's skills after they have been unemployed for several years and lost motivation and lost skills, and been out of work on the unemployment or welfare roles, trying to recapture all of that is enormously expensive, and it is far better to see that it never happens in the first place.

So it seems to me, and the first point that I would like to underscore for the committee this morning, is that prevention of unemployment is the only feasible economic or social answer. The key to a prevention strategy is obviously to prevent youth unemployment, to stop those people coming into the system each year. And the way to do that is to reach those who are likely to become unemployed before they do so, while they are still in school, and that sounds awfully simple, but it seems to me that is the crux of the program. The best possible chance we have of reducing unemployment is to identify and reach those young people most likely to become unemployed, prior to graduation, prior to departure from school.

Let me give you one specific example of the kind of problem we are facing in this country. In the city of Memphis, Tenn., about 8,000 young people graduate from all of Memphis' public school system every June. Within a year, 2,500 of them are on the welfare rolls. We are not going to solve our unemployment problem until we can stop that kind of a transfer. We are adding people at the front end of the unemployment rolls faster than we can take them off at the other end. And just contemplate the dollar savings in Memphis, indeed, in any city in America, if you could stop that one-third of the people in this case who went on the welfare rolls from becoming a public charge. Think of the dollar savings in the programs, think of the human savings in self-respect, and the suffering that would be saved. Think of the tremendous burst the economy would get. If you are a supply-side economist, there is an

area where you can see a supply-side impact, the boost of putting those young people to work instead of having them a negative drag on the system.

Well, if the strategy of prevention is to reach young people before they become unemployed, then what we have got to do is somehow build that bridge between the school system on the one hand and the private sector job area on the other.

We have in our arsenal of weapons a program that has been very successful at building that bridge, and that is vocational education. The best testimony to that is that that is about the only program that I know of that State Governments have gone far beyond Federal suggestion—funding vocational education programs, $14 of State money for every dollar of Federal money, and there are very few programs of that kind in the country.

The reason vocational education is popular is it works. The students think it works, the employers think it works, and the government thinks it works. And that is what we are really talking about; it is a tried and true strategy. There are, though, some problems with that strategy. First of all, it reaches only about 20 percent of the young people in our public schools. Second, it often does not reach the ones who are most likely to become unemployed. Third, its job placement efforts usually conclude at the end of school, and they do not extend through that critical period for any young person, the first few months while they are trying to get a job and get settled down in it.

So as successful as vocational education has been, it really is not a bridge from school to work for an awful lot of young people who are liable to end up on the unemployment rolls. Indeed, I would characterize the strategy for most of those young people as kind of a walk-the-plank theory. You come in, in kindergarten, they march you through 12 years of education, they give you a diploma, and they walk you off the edge of the plank, if you are lucky, you survive, and if you are unlucky, you drop off the end and become an unemployment statistic.

So if we are going to build a bridge and have a successful conceptual program, it seems to me there are a few characteristics that have to be a part of it.

First of all, a successful employment and training program has to be comprehensive. It has to reach every young person who is liable to become unemployed.

Second, it has got to be built on and grounded in the public education system. That is where we have all the young people of America together in one place and one time.

Third, it has got to have another anchor, and that is a real job out in the private sector, which has got to be the objective of the entire system.

It has got to have the support of more than us in government and the people in education. It has got to have the support of the private business community, or it just is not going to work.

It has got to have a much more effective and efficient format than we have today. The cost of running the system that we are running is enormously high, and with the budgetary and fiscal restraints that we have in this country now, we are obviously going

to have to have something that is less costly and hopefully more effective.

It has also got to be a system in which somebody is accountable for results. Today, so often, our programs are run and nobody is really accountable. The Federal Government has a portion of it, the State government has a portion of it, the school system has a portion of it, and when everybody is accountable, nobody is accountable. We need to pinpoint responsibility.

The program ought to stretch through that critical period after school, 8 or 9 or 10 months until a young person gets placed in the job and is successful there.

Finally, the program has got to be attractive enough so that some of the young people want to be in it.

What I have outlined is what, theoretically, we would like to see. We have a program that operated in Delaware, Jobs for Delaware Graduates, that followed that format, and it has been successful. We began by pulling together all the leadership in the State of Delaware, in business and labor and education and government. They agreed that the program mix we had was not working very well, and so we put together a new program called Jobs for Delaware Graduates. It is simple, really. We identify those young people in school most likely to become unemployed. We assign them at a ratio of about 35 students to 1 job specialist, which works for a nonprofit corporation. Each student is provided basic employment-seeking and employment-holding skills, becomes part of a motivational student organization similar to the vocational organizations which are so successful. The entire State is canvassed to see where the jobs are, and the job specialist has the responsibility of placing the young person in his care, one of those 30 or 35 people, in a job in the private sector and following up for 9 months after.

The results in the first year, the class of 1980, which we ran in eight pilot schools, showed first of all that 60 percent of the seniors in the high schools signed up to be a part of the program, far exceeding the estimate that we had as to who might be interested. The results on the other end were equally successful. We were able to place by September 30 following graduation 85 percent of the people who completed the program. The next year, the class of 1981, the current year, we expanded the program statewide in Delaware, to 22 out of our 25 high schools, and the results have been nearly identical in the second year of operation.

Well, we began to attract a lot of attention from this program, so we created Jobs for America's Graduates, a national nonprofit corporation, and its job was to replicate the Delaware program in four other locations. Maybe Delaware is unique—of course, Delaware is unique; the first State in the United States—we are delighted that Vermont and Indiana joined our country—but perhaps Delaware was unique. Perhaps it would not work in another kind of location. So we put it to work, in Massachusetts, Arizona, Tennessee, and Missouri, working as successfully in those places as it worked in Delaware. We put together a national board of directors: Vice President Mondale, Vice President Bush, Governors Rockefeller and Alexander, John Filer, the chairman of the NAB, Benjamin Hooks of the NAACP, Howard Baker, Jim Jeffords, Carl Holman of the National Urban Coalition—the kind of bipartisan support that

you need to get a program like this going. Vice President Mondale helped us get it going in the Carter administration. Last week, Governor Alexander and I had the opportunity to present it personally to President Reagan. He was interested, asked an awful lot of very good questions, and I think that was a very encouraging meeting.

In those five test areas, as of September 30 of this year, we had an average 86-percent placement rate in all those programs. We believe that that is encouraging enough that we ought to try and saturate each of the market areas. And as you can see from that chart, in Delaware and Arizona, we have got something close to saturation. But in the program in Tennessee or in the program in Massachusetts, we are only dealing with a small number of schools. What we need to do is expand that test to cover the entire market area.

We believe we have been successful enough that we have got a strategy here that is working.

Senator QUAYLE. Excuse me. Do you have total saturation in the State of Delaware?

Governor DU PONT. Essentially.

Senator QUAYLE. And what about Arizona?

Governor DU PONT. Arizona is 60 percent, just over half.

Senator QUAYLE. Thank you.

Governor DU PONT. And of course, the problems in these different States are very different. Arizona's economy is quite unlike Delaware's, and the city of Memphis is a good urban test site. So we have got a sprinkling of different locations and different kinds of economies.

Perhaps even more interesting is the cost of this program. Mr. Angrisani was here some months ago and testified that the title II CETA programs were averaging $6,000 per placement, the title IV programs, $9,000 per placement, and others ranging upward of $15,000 per placement. Jobs for Delaware Graduates, where the cost data is really firm, is costing only $1,500 per placement, and we believe that average is going to hold up across the country.

This program has been successful, I believe, because it has followed the kind of an outline that I dwelt on a few minutes ago. It is a private sector program with a public service corporation running it; it is comprehensive; it reaches the young people before they become unemployed and follows up for 9 months, and it is cost effective.

Let me make, if I might, a couple of recommendations, and then I would like to take your questions. As you go beyond the present system and start to design the new one, I would encourage you first of all to think big. We tend so often to think in government of running government programs or education programs. I think you have got to think much more broadly than that and think about programs that include all the actors on the economic stage—the private sector, the businesses, the labor unions, community leadership, and of course, education in government.

I think you have to have a genuine involvement by the private sector, not in an advisory role but in a participatory role, where they can be responsible and accountable for what is happening.

I would support almost any kind of a youth employment program that vests responsibility for success in the collective leadership of government, business, labor, and education. My reasoning is that if you have all the players in the economic system involved and responsible, the program is going to work. But I also recommend very strongly against arbitrary economic criteria. Because one student's mother or father makes $50 above some Federal poverty line is no reason to exclude that person from the program. We are trying to solve an unemployment problem. It does not matter if it is urban or rural or middle class or poverty or where it is located; we want to stop young people from becoming unemployed. Treating all the people who need help will do that.

Perhaps most important of all, I think it is time we brought some order out of the confusion that exists. And I do not know how it is in the States that you represent, but in a State of 600,000 people, Delaware has four independent prime sponsors, two federally mandated manpower training councils, a Governor's grant operation, a State employment and training council, a job service employer committee, and several dozen education advisory boards and councils. All of those have administrative costs and overlap and jurisdictional disputes, and I think it is time we had a sole agency responsible for receiving, distributing, monitoring and evaluating all the employment and training efforts--CETA and vocational education included.

There are lots of ways to do it. As a Governor, I would like to see Governors involved. I think you have to involve the State legislatures. But it is also important that we involve everybody in the community. And I would suggest to you a nonprofit corporation with broad community representation, perhaps appointed by Governors and confirmed by State legislatures, which is the traditional way of doing things in the States. And that kind of an animal might be better than a State agency to carry out this program.

In conclusion, my philosophy in employment and training can be stated very simply: "School to work; work to work; make fit to work." Those are the three transitions that an employment and training program is trying to accomplish. School to work to prevent unemployment; work to work for those whose jobs are being phased out by technology—hopefully, we can get to them and retrain them before they go through the unemployment process—and of course, the last element is make fit to work, trying to attack the problem of those who are already unemployed.

These are going to take some imaginative solutions. Jobs for America's Graduates is one of them. Another one that ought to be considered is whether we are really getting any benefit out of our extended unemployment benefits. We spent $2.1 billion in fiscal 1981, on extended unemployment benefits. Wouldn't it be better to take that money and put it into training? I think you would get a much better return on your dollar and perhaps solve some of the problems we have, and you could do a lot of training with $2.1 billion.

As I said, Mr. Chairman, you have an opportunity to rethink and rewrite and reprogram America's attack on unemployment. What we have had before has been expensive and ineffective, largely because it has gone after the problem after the fact of unemploy-

ment. What we need is something that is affordable and preventive that tries to get the people before they become unemployed.

Your task is to consider a new mechanism for the delivery of employment services. It has got to be less expensive, comprehensive and accountable, a private sector partnership rather than a Government-run program. I believe that a strategy based upon prevention rather than remediation, sponsored by community leaders rather than Government officials, can succeed where existing programs have not succeeded, and I hope you will consider that kind of an approach in rewriting the legislation.

Thank you.

Senator STAFFORD. Thank you very much, Governor. I think your statement has been extremely helpful to both of these subcommittees and to our parent full committee. I congratulate you on the success you have enjoyed with Jobs for Delaware Graduates in your State.

In your testimony, you have stated that the object of your program is to identify those young people who are most likely to become unemployed. Could you, if you would, please, elaborate on how this identification is being made?

Governor DU PONT. Well, if you start with your senior class of let us say 400 people in a high school, you begin in September with a series of interviews with the students and consultations with the principal in the high school. You basically leave the selection to the high school. They know the students better than we do. You go through and you eliminate all the students who are planning to go to college or are in vocational education programs leading to employment, all the students who have already decided to go into the military or go to work for their uncle's lumber yard, or whatever. You are then left, we believe, with about a third of the senior class who are really uncertain as to what they are going to do. Through interviews, through some testing, we try to identify those who need the help the most. Many of those young people need remedial programs. We do not run the remedial programs ourselves. We refer them back to the school system to the remedial programs that are there. But identifying the students has not proven to be difficult, except in one aspect and that is, they all want to participate because they see this as a route to a job. As I said, 60 percent of the people in the high schools signed up in writing to be part of the program, and our first task was to recognize that perhaps 40 percent of the whole group really did not belong there. But students are very tuned to getting a job. It is a difficult thing for them to do, they want it to happen, and they want to participate. So the problem is not finding enough. The problem is coming down from the top and eliminating those who may not really need the help.

Senator STAFFORD. Thank you very much, Governor. I share your view that the success of our job training and placement programs is conditioned by the collective involvement of government, business, labor, and education. In this regard, I hope you could describe more fully how this collective leadership is organized and generated in Delaware.

And now for a two-part question. Also, I have heard recommendations that a separate State board for vocational education, employment, and training be formed in every State. You seemed to be

aiming in that direction, but you also hinted at a nonprofit organizational structure. The second half of the question is exactly what should we write into law in this regard.

Governor DU PONT. Well, the answer to the first part of the question, Senator Stafford, how do you get it organized, you organize it at the top. You have got to get the leaders of the community involved—not the director of the employee training program at your large corporations. You want the president. You want the president of the AFL-CIO, the president of the NAACP or whatever community groups there may be. You want the heads of your State educational systems, mayors, county executives, and Governors. That gives it some visibility.

When I sit down at a table in Delaware with the board of directors of Jobs for Delaware Graduates, that has instant credibility because sitting around that table are the top leaders of every phase of economic activity in Delaware. You bring them onto this board, the board gets the resources, the money, and the board makes the decision on the hiring, the operation of the program, so all these people are involved.

I might add this is particularly appealing to the business community which is so often critical of us. They say, "You in Washington," or "You in Dover, put together programs and inflict them on us. When are we going to get an opportunity to design and run a program?" Well, here is such an opportunity, and they have been very enthusiastic.

The second part of the question concerning vocational education—and I know that, sitting back behind me here are a few interested parties on that subject, so I am going to be very careful—you could merge vocational education and training programs into the school system. You could perhaps go the other way and merge those into the existing CETA operations. But in either case, all you would be doing is swapping one Government program for another. Wouldn't it make more sense to take our friends in vocational education who know what they are doing better than all of us do, and make them a part of a community organization involving labor, business, and government, and let them run the program jointly through that kind of an animal. And I would suggest to you that you use as a vehicle for perhaps a portion of your new programs or all of them, if you felt confident enough in it, that you use as a vehicle a public service, nonprofit corporation of this type as the channel of your funds. That would solve a lot of political problems on the local level and would also make a very effective mechanism.

Senator STAFFORD. You are talking about all of the funds—and the national contribution, as you pointed out, is quite small compared to State and local contributions—being placed in a pot that would be the local, the State, and the national contributions?

Governor DU PONT. Well, when you are talking about job training, you have got a whole series of different kinds of organizations. You have got the organizations that the private companies are running. You do not want to touch those; you want to let them train for their own businesses. You have got all the CETA programs which are today being run by our departments of labor, by our prime sponsors, by a whole raft of people. You have got our vocational education programs which are being run basically by voca-

tional education school districts throughout America. You have got some other job training programs, non-CETA programs, that are being run. I would wrap all of those together. All of the Government-funded programs could be together.

Vocational education, of course, has traditionally thought of itself as part of the education system. But I wonder that it is not time to rethink that as really part of the employment and training system. I would not want to put it under CETA, I don't think, because CETA has not operated very well. But you could put it under one of these new public corporations, though the political problems in doing that may be very substantial.

Senator STAFFORD. Thank you very much, Governor.

Why do you believe that the program cost per placement for Jobs for Delaware Graduates is so significantly lower than the cost per placement for programs with Federal involvement?

Governor DU PONT. First, there are no stipends, and the program on the right-hand edge of the chart, for example, has a stipend.

Second—and I hesitate to say this—it is not a Government program. It is basically run by private sector people who are paid to run effective organizations, and it does not have nearly the administration that a CETA program has. Our overhead is very, very low. We have, I want to say, between 80 and 85 percent of the money that comes in to Jobs for America's Graduates is the salaries of the job specialists. It is a very low overhead program, and that is the other cost-effective aspect of it. And remember that those figures include in the Jobs for America's Graduates column 9 months of follow-up after graduation, and the other programs do not.

Senator STAFFORD. In line with the previous question, I would like to follow up with an additional inquiry about the relative responsibilities of all levels of government in our educational system.

As you know, Governor, attempts are being proposed to make substantial reductions in Federal aid to education on the justification that education is a State responsibility. Do you see no role for the Federal Government in education, and will the States, if that occurs, shoulder this responsibility by making up for the loss in Federal revenues by additional spending at the State level?

Governor DU PONT. Well, Governor Alexander and Governor Babbitt of Arizona made a proposal to David Stockman and some of the others in Washington the other day that we swap you education for income maintenance programs. You take the income maintenance programs, and we will take education, and dollar for dollar, we are even. Well, Mr. Stockman looked at his feet and thought about that for a while and did not seem too positive, which makes you suspect that he has not got an awful lot of confidence that he can cost control the income maintenance program.

I believe that the answer to your question is yes, that we could provide the resources and take the full responsibility for education and do an adequate job. There are innovative programs run by the Federal Government, some of the title I programs that are teaching reading, making remedial efforts for those who need help in the younger programs—they are very good programs. I think they would be very popular among the States. Some of your other programs like busing, I suspect the States would not be much interest-

ed in picking up. But I believe we could run an education system as effectively, if not more so, than it is being run now with adequate funding.

Senator STAFFORD. Thank you very much, Governor. I know Senator Quayle has been forced to leave for a few minutes, and he wanted to ask you some questions. He is meeting with the Secretary of Transportation, I think. While we are waiting, please answer this: You mentioned some of your students have been found in their senior year to need remedial training. I presume that was in the basics: reading, writing, and arithmetic.

Governor DU PONT. Yes, Senator.

Senator STAFFORD. We ran into that in Vermont also, which is somewhat similar to your State in population size, if not otherwise. We learned of one instance in which a vocational educator mentioned a young man who did quite well in his mechanical work as a senior in high school, but he was unable to write a letter to his girlfriend because he had insufficient command of English and letterwriting to do it. This suggests the remedial situation may go back earlier than even the senior year in high school and I wondered if your findings in Delaware would suggest that also.

Governor DU PONT. Oh, yes, sir. We have begun a program in Delaware, this year for the first time, of graduation requirements. You have to pass a test to get a diploma. And what we are attempting to do is each year, raise that standard a little bit and slowly work that standard back so that you are identifying those students who have real problems in the fourth and fifth and sixth grades and beginning the remedial programs early. But again, you have got to start somewhere, and it seems to me the place to start is at that critical year when they are about to go off the end of the plank, and then we ought to work it back through high school and into junior high school and of course, begin the remedial programs there.

Senator STAFFORD. We have a 2-year vocational technical college in Vermont, and they found that some of the first year has to be devoted there to remedial work in English, writing, and arithmetic.

The present vocational educational programs generally provide, set-asides for disadvantaged and handicapped children from various aspects of the program, and these come partly from the basic Federal grant. Should States take over the whole system of education—and now, I am confining my question to the vocational educational fields—what would be the fate, in your opinion, of some of the set-asides for disadvantaged children and for handicapped children?

Governor DU PONT. I would come down on the same ground that I did a moment ago in answering your question, that if you are talking about running an educational system, I think we can adequately do it.

A lot of the handicapped programs, though, you have identified here in Washington as requiring special resources. The results of those have been very difficult for us in some cases. The cost has been very high, and a great many people seeing the availability of these funds have sought to place children who otherwise might not be considered handicapped in those special areas as an opportunity to get more resources and an improved education.

I think in the vocational area that we could handle it, and I do not speak in any way as an expert on that, but I have a lot of confidence in the vocational education system in all of the States. As I say, it is one of the most effective ones going, and if you cannot handle it in vocational education, you probably cannot handle it anywhere.

Senator STAFFORD. Well, that area would be a very troublesome one for this Senator because it has appeared to me in the past that the reason the handicapped educational programs in this country have come into being is based partly on a Supreme Court decision, the *Brown* case, that said every child without regard to race or anything else is entitled to an equal opportunity in education. The handicapped really were not getting a fair shake until Public Law 94-142 came into being. So it is a troublesome question, I would say, Governor, in this particular instance.

Senator Quayle is on his way back, but I will continue this question filibuster until he actually gets here.

Can Federal legislation create the public service corporations you advocate, or do we have to rely on local initiative of the kind that you created for your program?

Governor DU PONT. I think you could very easily in your Federal legislation say the employment and training programs will be run by a nonprofit corporation that must include the following representatives or kinds of representatives. You do that everywhere—in education, in the new reconciliation bill you just did it again, and we are about to have to appoint yet another committee, which I believe has to include students now to help us make the decision, and I am looking for some good second and third graders to appoint to handle that task. Your legislation did not tell us what grade they should be from, so we are going to try to get a representative sample.

But seriously, yes, you could mandate that, and I think it would work that way.

And Senator, if I might come back to your handicapped question for a moment, what you are really asking is who can be entrusted with the responsibility of making the right decision on the education of handicapped or disadvantaged or indeed, of anybody. At the moment, the Federal Government has the major share of that responsibility, along with State government. I have a lot of confidence that a nonprofit corporation with a representative board of directors from all these sectors could make that decision just as well and just as fairly, and perhaps make it even more effectively, because that board will be familiar with what is going on in Vermont or Indiana or Delaware. And the Vermont board will know far better what is happening in Vermont than a committee of the U.S. Senate that does not have a Senator from Vermont on it would know, and I think you would get improved accountability and improved programs.

Senator STAFFORD. Well, thank you very much, Governor. It is good to see you again, and congratulations on what you have done in Delaware.

Senator Quayle.

Senator QUAYLE. Thank you very much, Mr. Chairman.

Delaware may be a unique State, but Indiana has a lot of problems, and I had to try to solve one of them with ConRail, and I certainly appreciate your indulgence and the indulgence of our chairman.

I would also like to echo what Senator Stafford said and congratulate you on your jobs for Delaware graduates program. I think it is certainly an imaginative program, and you have had a great deal of success.

I gather by the chart there, with the data on five States, that you believe that this kind of a concept could be exported to other States around the Nation.

Governor DU PONT. Yes, Senator. We are attempting at this point to put together a saturated market test. It is relatively easy to take 3 or 6 high schools of the 30 high schools in Memphis and run this test and place the students, because after all, you have a small number of students, and you have got the whole Memphis economy. The real test is when you take every high school in Delaware, every high school in Memphis, every high school in Arizona, and absorb those people into the entire market. Now, I believe the answer is yes, it has worked very well in Delaware; in Arizona, you have got a 50 or 60 percent test. So I believe it can be done, and I believe it is exportable, and I think we will shortly have a little more data to demonstrate.

Senator QUAYLE. Governor, my line of questioning is going to be on the delivery system, and at the end of your remarks, just before I departed, you talked about quasi-public corporations to be run at the State level with appointments by the Governors. What would be the composition of these boards or corporations, would they include mayors. Would they be represented?

Governor DU PONT. Traditionally, in most States, the way of putting together a group of people to deal with any problem within the State is to use the Governor and the legislature. That is, the Governor nominates, and the legislature advises and consents to those nominations.

While you were out, Senator Stafford and I were discussing appointments, and I pointed out that in the new reconciliation act in education, we are about to have to appoint a new advisory committee to look at the delivery of education. You require in that legislation that there be a mayor, a student, a parent of somebody in school, a teacher, and the list has about 25 people on it. You could do the same kind of thing, a public service corporation that is mandated to include a Governor, if you like, a representative of mayors and county executives, a representative of vocational education, a representative of basic education, whatever you want to put there. I would require labor unions, businesses, and so forth, and I think we ought to refine our thinking a little more as to how you would structure that.

What you would say is a Governor shall appoint, subject to the confirmation process required by State law—and you would want to check in each State and make sure that that is all right. In our case, I would appoint, the Senate would confirm, and there would be public confidence in that, because that is the way we appoint the public service commission, that is the way we appoint the judges, that is the way we do all of our business, and it is a tried

and true and understandable and accepted method of putting together an organization to deal with the problem.

Senator QUAYLE. In the State of Indiana, for example, we do not have confirmation of anything, basically, in the State general assembly. The Governor does it all there.

Governor DU PONT. That is a very enlightened State.

Senator QUAYLE. You would like that, wouldn't you? The Governor does it all.

But in regard to this public service corporation, what do you envision it doing? Would it be running or funding training programs, vocational education programs, and handicapped programs? How comprehensive could this corporation be?

Governor DU PONT. Understand, Senator, what we have working now in these five States. Jobs for Delaware Graduates Board is one-third government officials—the mayor of our biggest city, the county executives, three of them, myself, the Lieutenant Governor, and so forth. One-third education people—the head of our State board of education, a variety of other high educational officials. And it is one-third private sector—that is, the head of the AFL-CIO, the head of the UAW, the presidents of four or five of our corporations. That is the kind of board we have. We have taken the $1½ million that run our Delaware program—some of it comes from our State legislature, some of it comes from Governor's grant moneys under the CETA program, some of it comes from private donation—we put all of that money in one pot, and that money is actually allocated by the board of directors and hires the job specialists and pays the electric bill and rents the office space and so forth. That is one way to do it, to have that corporation run the training program, and that is what we are doing.

Another way to do it would be to give the resources to that board and say, "You accept bids from your technical and community colleges, from your vocational education system, from your labor unions, from community organizations, and you put the money where you think the most effective training organization in your area is," and some of the money would go perhaps to each of those. Who can train welders best might be a different group from those who can train stenographers best. And there are two very good examples. We have a very good training program, secretarial program, in one of our private colleges, and if I were choosing, I might choose there for stenographer training. The welding programs are run by an entirely different group of people; the vocational people do a good job there. And you would let that board make the decision among the mix, and that would do two things. First of all, it would get you out of the business of supporting these vast CETA organizations and their administrative costs, which are enormous. And second, it would allow each community to decide better for itself where to put the resources.

Senator QUAYLE. Presently, in Delaware, there is direct funding to Wilmington, I would presume, on training programs.

Governor DU PONT. Wilmington is a prime sponsor under the CETA legislation.

Senator QUAYLE. And you have discretionary funds as Governor, right?

Governor DU PONT. That is right.

Senator QUAYLE. And does the Wilmington prime sponsor contribute funding to your jobs for Delaware graduates?

Governor DU PONT. No. I believe they would if we asked them, but we have not asked them to, because we had enough resources to get the jobs.

Senator QUAYLE. Well, under the State public service corporation, would you envision all the training funds—just take Delaware, for example—would you envision all the training funds going through the public service corporation, or would Wilmington still be retained as a prime sponsor in the delivery system?

Governor DU PONT. I would like to see them all going through one organization, statewide.

Senator QUAYLE. I think that is sort of where we are coming down to. I think it is a challenging idea and something to which we should give serious thought—but if we just establish that and do not give it primary responsibility or total responsibility, then we are getting another entity involved in training programs and vocational ed, handicapped, et cetera, that would diffuse the efficiency that we are all striving for. If all training funds would go through a State public service corporation then how would the prime sponsors of the major cities around the country, Wilmington being one of the major cities, Indianapolis being another, and Burlington being another—how would they interreact with this State public service corporation?

Governor DU PONT. Let us let the State corporation do the job. The problem—and let me go back to my testimony for a moment—the problem you have today in the State of Delaware, which may be smaller than the entire city of Indianapolis—we 600,000 people in Delaware—we have four prime sponsors, a Governor's grant operation, two federally mandated manpower planning councils, a State employment and training council, a job service employer committee, and several dozen educational advisory boards, and none of these people talk to each other. I mean, they have a conference every year, and they all meet, and they all know each other, but do they really exchange job information? No, they do not. In fact, I would venture that the best job placement data in Delaware today—and I say that even with the Secretary of Labor sitting here—is probably the jobs for Delaware graduates grid, because we have gone out and done it through this private corporation, and I think we have found things that the Secretary of Labor has not found. In fact, we go to some places, and they say, "Yes, we will tell you about some jobs, but do not tell the government. We do not want them down here, with their inspectors and their forms, and all of their data. We would just as soon go along ourselves." But your city and county organizations would under this format disappear, and there would be one statewide body to do the job.

Senator QUAYLE. You would envision putting the training funding through it, vocational education through it, employment services through it.

Governor DU PONT. Yes.

Senator QUAYLE. And what else? Would you have some of the other education programs, or would you stop there, basically?

Governor DU PONT. I would put all of the training programs in the community, except for the private sector ones that are corporation ones. I would put all of them there.

Senator QUAYLE. OK. You would take all the training, and by training, you are talking about employment services, vocational education, and the employment and training program as we know it today. You would put that in one.

Now, Delaware is unique, not only in being the first State—we always like to be reminded of that. But what about a State like Indiana or New York or California, where we might have to set up some of these public service corporations on labor markets? For example, Indiana is very diversified. I mean, Gary, Ind., is so much different than Evansville, Ind., it is like campaigning in two different States, two different worlds. Since you have that diversity, I wonder if you could expand some in other States where you would have maybe three or four of these public service corporations on a regional or job market basis?

Governor DU PONT. Clearly, working within a job market, however you define that, has some appeal. You occasionally get into some nasty interstate problems that way, but leaving those aside, I think you could do that. I would opt for making those subsidiaries to the statewide board to have some control and coordination. But you could go, I suppose, although I think you would lose some effectiveness, to let us say in Indiana, six regions, or whatever. But if you begin to get too many, you begin to get back to the same problem that we have. But the one advantage is—and we have not talked very much about this this morning, but this is the thing you ought to leave here with your focus upon—is that you have got to bring in the private sector. And what is missing today in the program is that you have only got government people involved. You have got to bring in all of the economic actors, and that is what these public service corporations really do.

Senator QUAYLE. Well, you said it yourself, Governor. A lot of people said, "We have jobs here, but do not tell the government. We do not want to be messing around with all the forms, the duplication, and the apparent bureaucratic maze that exists here." And I think, no matter what we do in this area, that you have got to have that intercourse with the private sector and the public sector, business and labor with education.

Is vocational education 7-percent Federal funding?

Senator STAFFORD. Yes.

Senator QUAYLE. And the training program is 90-percent Federal funding. So you are dealing with Federal on the one hand and State agencies on the other; and yet the goals are basically the same.

Governor DU PONT. And ask anybody in Indiana, following up that analogy, which does training better, vocational education or all the CETA programs.

Senator QUAYLE. What do you think they would say?

Governor DU PONT. I know very well what they would say. Vocational education, with a 80/20 mix one way, is doing many times better than the Government programs with a 90/10 mix the other way.

Senator QUAYLE. Let me end and ask you what should be the role of the Federal Government besides "Give me money, and stay out of it"? Basically, isn't that what you are saying, "Stay the hell out of it, and give me your money"?

Governor DU PONT. Well, Senator, I would not be so crude——

Senator QUAYLE. Well, you are much more diplomatic, Governor; that is why you are a Governor.

Governor DU PONT [continuing]. As to adopt a radical position like that—meritorious though it might be. [Laughter.]

I think, going back to my days in the Congress, that the role the Federal Government plays is to help steer, to try to alleviate some of the national problems that exist in unemployment. Clearly, you have got to have an unemployment system that tides people over, a financial system, a safety net, if you will.

But when it comes to doing the training, you ought to provide some direction, and I think let the local communities to it. I have suggested in my testimony perhaps a radical idea, but that is to take the extended unemployment benefits, and instead of paying them, put that money into a training program. You have been unemployed for 26 weeks; the 13 extra additional weeks of unemployment may help a little bit, but think what you could do with that several billion dollars and a voucher given to the unemployed worker 3 weeks after he has gone on the unemployment rolls and said, "In the next 10 weeks, you must use this voucher to get training somewhere, and when you have done that, your unemployment benefits can continue on to 26 weeks, but then you will be trained and ready to get a job and we will try to place you in a job." That is a much better use of the money than simply continued income maintenance.

So a job for the Federal Government there would be to make those resources available somehow to a locally run training organization because Indiana's training problems are different than Delaware's training problems.

Senator QUAYLE. But we do have to continue some resources and some leadership at the Federal level. What I am driving at is that as we look at this budget—and I happen to be on the Budget Committee—the figures just do not add up. I mean, there is just no way that we are going to get to that phantom balanced budget in 1984 without further cuts——

Governor DU PONT. Well, Senator, here is a program that would allow you to double the training at half the cost, and even Mr. Stockman would understand that.

Senator QUAYLE. Yes, he would buy that, but Mr. Stockman might also say, "Well, since we are going to have all this efficiency at the State level, why don't we just let the States handle it"—and that is what I am a little bit fearful of—"without any money."

Governor DU PONT. I would say to Mr. Stockman what I said earlier, why don't we adopt the Governor Alexander and Governor Babbitt proposal, of you take the income maintenance programs, and we will take all the education, and it is a wash on money.

Senator QUAYLE. Mr. Stockman's figures, I do not think add up to being a wash on money. I mentioned that to him and was glad to see that the Governors came out and reassumed the primary jurisdiction over education and training programs and said maybe the

income maintenance programs are more a Federal responsibility. I do not really disagree with that, but I don't know if the numbers add up.

Governor DU PONT. I think they add up.

Senator QUAYLE. Do they?

Governor DU PONT. If you take all the education expenditures of the Federal Government and——

Senator QUAYLE. You are going to give us all the welfare payments, and those are pretty big.

Governor DU PONT. But you created the problem, Senator. The national economy is not something that Delaware did. [Laughter.]

Senator QUAYLE. You have been a fine witness so far, Governor. I think that while I am ahead, or at least even, I am going to quit and say thank you. You have lived up to expectations that your testimony would be challenging and stimulating, and I look forward to working with you personally and with Senator Stafford as we go down this road to figure out a better way to provide for our young people in this country.

Senator STAFFORD. Governor, we sure do thank you for being here. Let me ask you one final, brief question. In Delaware, under your system, what do you do about a dropout who does drop out, even after 9 months of graduate supervision?

Governor DU PONT. Do you mean, once he is placed in a job, and drops out?

Senator STAFFORD. Yes.

Governor DU PONT. Well, some do, some for legitimate reasons—they get married, they have a baby, they move to another State. Those, there is not much you can do about. But if a student is unhappy in a job placed in, we continue to work for that 9 months to try to place him somewhere else.

Senator STAFFORD. Let me just expand the question to ask what can be done or what do you do with a dropout who occurs before completing high school?

Governor DU PONT. We try very hard to bring those people back into school. And one of the things about this program that I have not really stressed is it seems to me the secret in the long run from an educational point of view is to make the student believe that the best place to get a job is to stay in school. The student does not think that today. The student does not equate school with job. He or she equates school with homework and school work. But if you can convince students that the best way to get a job is to stay in school, you are going to win the war in the long term. We have no magic method in this program of keeping people in. I cannot even cite you any statistics that show this reduces dropout problems. I believe it is going to in the end, but we have not been able to demonstrate that.

Senator STAFFORD. Governor, we appreciate your help for both of the subcommittees which are here.

I note that Senator Pell has been able to join us now, and before I invite him to make either a statement or ask a question, let me say to all of our guests that if you find this room chilly, the reason is a reversal of the usual flow of air in Washington; I am advised that we are getting an unavoidable heavy flow of cold air from the new Hart Building into this room, and there is no way we can stop

it—even if I filibuster. I thought I ought to make that announcement because the lights almost went out a few minutes ago, and we may suffer some additional catastrophe before we get through.

Senator Pell, do you have anything you would like to say?

Senator PELL. Thank you very much, Mr. Chairman.

I really just want to congratulate you and Senator Quayle for holding this hearing. From the viewpoint of efficiency and effectiveness in the Congress, I have often felt much advance could be made if we had more joint hearings of this sort, and you are to be congratulated on that.

As a member of both subcommittees, I have a particular interest here, because policies and programs developed within education obviously have to take into account and reflect the employment needs and the job market in our Nation as a whole, and conversely, the employment needs of our Nation require that education provide a well-qualified, well-trained, and well-informed work force. So this is a very good preliminary step in that direction.

I would ask that the balance of my remarks be inserted in the record at this point.

Senator STAFFORD. Without objection, so ordered.

Senator PELL. I would caution, however, that the purpose and function of education goes beyond the preparation for a specific job. It is concerned with the whole individual, and with preparing the person for a life that encompasses much more than the workplace.

The individual's ability to read, write, and compute are crucial not only to excellent performance on the job but also to his or her ability to function in this world, to comprehend and understand the events that swirl around us, and to appreciate and take part in the cultural offerings of our society.

It is appropriate, therefore, that we refer to vocational education and training. For it is truly both. Education—and training. To pursue one without the other, particularly at the secondary level, is to provide inadequate instruction to the young people of this Nation.

This hearing is also an important preliminary step toward reauthorization of the Vocational Education Act which, because of provisions in the Budget Reconciliation Act, does not actually come up for reauthorization until 1984. Despite this, I want to take this opportunity to offer some of my own thoughts concerning general principles or guidelines that should be followed as we proceed toward reauthorization.

First, program improvement. I believe deeply that one of the major roles of Federal legislation should be to insure that vocational education and training courses be as up to date as possible. They should reflect the requirements of the job, and should utilize the latest means of instruction. This means modern machinery and tools, and use of the latest computer technology. Vocational education students must have access to the most modern resources available, and Federal law should provide assistance to help accomplish that objective.

Second, targeting of funds. I am of the mind that the Federal contribution to vocational education in the years ahead should not be general aid, but rather should focus upon the needs of special populations. Among these should be the economically disadvan-

taged, the dropout, the handicapped, the incarcerated, women and men in nontraditional roles, persons of limited English-speaking ability, and particularly those who are deficient in basic skills instruction.

I am deeply concerned that a block grant approach to vocational education would inevitably pit these groups against each other, and that one or more of these very deserving groups would not receive the kind of assistance they need. I believe, therefore, that any reauthorization legislation should target the limited Federal funds available to meeting these needs.

Third, an emphasis upon economically depressed areas. Closely related to the need to target funds upon special populations is the equally important need to direct those funds to the geographic areas of greatest need. Thus, to insure that the Federal dollar has a maximum beneficial impact, I believe that Federal funds should be directed to the most economically depressed urban and rural areas of our Nation, and within those areas to the special populations I have mentioned previously. I would suggest that a poverty index might be the best way to determine the urban and rural areas of greatest need, perhaps with a formula containing elements similar to those in title I of the Elementary and Secondary Education Act.

Fourth, adult training and retraining. It is clear that vocational education must become more actively and deeply involved in the area of adult training and retraining. This involves several different groups: the unemployed and economically dislocated worker; the displaced homemaker; the underemployed worker who is not fulfilling his or her full work potential; and the worker who simply desires either to change or upgrade his or her work status. Because of limited Federal dollars, it may be necessary to target these funds to areas of greatest unemployment. Clearly, however, this is a national priority that is not being adequately addressed and in which vocational education can and should have a major role to play.

Fifth, work-related experience. The success of the cooperative education program indicates clearly the value of a work-related experience. Wherever possible, formal instruction should be supplemented by an on-the-job experience to give the student an understanding of what the job involves, as well as the demands placed upon the person who holds that job. It is an important testing ground for the student, and can provide valuable insights into what the student can expect to find in the workplace. I believe deeply that a work-related experience should be an integral part of vocational education and training, and recognized as such in reauthorization legislation.

Sixth, reauthorization legislation should not be subject to complex regulations. It is possible to fashion legislation that embodies the principles I have outlined without requiring long, detailed administrative regulations. It is critical that we set the guidelines, provide the targeted resources, and then permit the State and local entities to be as innovative as possible in developing programs to meet the needs of the people.

Seventh, adequate funding. With the fiscal constraints confronting us, it is abundantly clear that the Federal vocational education dollar cannot be all things to all people. This, in view of our limit-

ed resources, I would urge that the Federal dollars be directed to meeting the very specific needs within very specific subject and geographic areas. This may well necessitate a further narrowing of the principles I have set forth. If that must occur, however, it will take place not because of our lack of concern or commitment but because of our desire to make sure that the limited money we have is used in the most effective manner.

At base, the one underlying and guiding principle should be this—whatever we do, no matter how grand or small the scale, let us do it well.

Senator STAFFORD. Do you have any questions of Governor du Pont?

Senator PELL. No. I just came in, and I want to get the flavor of the hearing.

Senator STAFFORD. Governor, we thank you very much indeed for helping us.

Senator PELL. And I join in thanking you, Governor du Pont.

Governor DU PONT. Mr. Chairman, we thank you for the opportunity of being with you, and as you begin to shape your legislation, I would be delighted to consult, formally or informally, in the future, if I can be of help.

Senator STAFFORD. Thank you very much, sir, and we are aware that you have other appointments, so we will be pleased to excuse you, if you wish.

Governor DU PONT. Thank you, Senator.

[Responses by Governor du Pont to questions of Senator Hatch follow:]

RESPONSES TO QUESTIONS BY LETTER

OF OCTOBER 27, 1981 FROM SENATOR ORIN G. HATCH

TO THE HONORABLE PIERRE S. DU PONT, IV,

GOVERNOR OF DELAWARE

Question 1: Regarding your question related to the extent of the program activity in the five test sites of Jobs for America's Graduates, Delaware is virtually state-wide at the present time--operating in all but one of the state's high schools. Arizona covers approximately half of the state's youth, while Memphis is in six of the city's approximately twenty-five high schools. In Massachusetts, the program is operating in six high schools--all that are available--in the communities of Quincy, Taunton, and Falmouth. In Missouri, where the program started this year, it is operating in six of the public high schools in the cities of St. Louis and Kansas City.

The time table for expansion to all of the high schools in each of the states varies, largely dependent upon funding resources. We have a request before Secretary of Labor, Raymond Donovan, for approximately $1.25 million per test site per year for the next three years which would allow for a "saturation" of all the high schools in the major cities listed when matched with existing funding commitments. Our objective is to test out the concept by reaching each and every youth needing assistance in those labor markets and transitioning them from school to work in the private sector. This effort is the ultimate test of Jobs for America's Graduates, and one which we believe is in the nation's interest to validate. Let me add one final note. Since this has been an experimental program in all of the areas except Delaware and only this past year have results become available, I now believe that serious consideration will be given in each of the locations about means of extending the program state-wide as the results become fully appreciated and the potential benefits for the states' economies are fully analyzed.

Question 2: In response to your question regarding any changes that might be necessary in operating the program in "large states" such as New York or California, we have given that question consideration.

It is our conclusion that the basic concept can be applied on any scale desired. Memphis, St. Louis, Kansas City, as well as Phoenix and Tucson are substantial communities, and the concept is proving very successful there. The only potential changes we would forsee are

the possibility of a state-wide service corporation responsible for the program state-wide, while regional or major city "subsidaries" might be necessary to assure the intense level of commitment and attention by the leaders of the economic system as proven so successful elsewhere. The word "subsidiary" is a deliberate one, however. It is very important that one central body have overall authority for the entire labor market, state or regional, so as to assure a consistency of approach and predictability that business and the community can count on. It might also be that some economies of scale would come into play in a large-scale application of the program that could add to the cost-benefit ratio.

Question 3: In response to your question regarding the participation of the business community, I am pleased to report that this part of the program has been among the most successful. The involvement of business in the design and implementation of the program helped to assure a broad acceptance of its value to the private sector as the first graduating class of young people became available for employment. Several facts testified to the level of participation of the business community--nearly four hundred employers in Delaware, for example, currently employ young people from the Jobs for Delaware Graduates program. Over two hundred of them recently wrote the members of the Delaware General Assembly urging their support for the program as a vehicle to supply them well-prepared entry level employees. In addition, the simple fact that some 86% of the young people involved in the program upon graduation in the four locations operating in the past school year have been successfully placed is just one more piece of data demonstrating the level of support and participation by the business community. Representatives from literally hundreds of businesses currently serve on the boards of directors or on advisory committees to the local nonprofit boards that operate the program in the five test sites. Rather than lose any participants, we have found a demand by employers for young people that exceeds the supply--we are receiving many more calls for youth to be placed than there are young people available in our programs to fill them.

Question 4: Your final question, as to whether Jobs for America's Graduates can be successfully substituted for the current range of vocational education programs can be answered with a straight forward "no." Jobs for America's Graduates is designed to reach those young people who are not college bound and who are not being successfully prepared for employment through vocational education programs.

Further, Jobs for America's Graduates is designed to prepare youth with the basic entry level skills--how to get and keep a job, getting to work on time, how to dress properly, and so on. Vocational programs go much further by providing specific skill training that gives them a firm leg up on employment prospects in most cases. As we would see a broad scale application of Jobs for America's Graduates concept, it would be to attempt to feed those youth willing and interested into vocational programs in the 10th or 11th grades and to apply the Jobs for America's Graduates concept to those who, for whatever reasons, cannot or will not benefit from vocational education programs so as to assure that even these youth, upon graduation, will have the necessary skills to obtain an entry level position and successfully compete in the private sector.

As one additional note, we actively encourage our youth, upon placement in the job, to give consideration to taking adult level vocational training courses to increase their skill level as a means of providing upward mobility potential. There is substantial evidence that a significant number of our youth, once they get on the job and see the skill needs of their employers and what it takes to get higher wages, within a short time begin taking adult vocational courses. These are the same youth who were unwilling to take such courses while in high school, but time spent on the job has brought home the message of the needs for specific skills far more effectively than any other previous activity.

I hope this has been responsive to your questions. Please do not hesitate to contact me if further clarification or expansion of these comments is needed.

Senator STAFFORD. Now the joint subcommittees would ask that the Honorable Albert Angrisani, Assistant Secretary for Employment and Training of the Department of Labor, and the Honorable Robert Worthington, Assistant Secretary for Vocational and Adult Education, Department of Education, if they would jointly come to the witness table.

We have decided for the two subcommittees, gentlemen, that we will hear you both as, in effect, a panel, before we get to questions, and that it would be best to allow you to decide which of you will speak first and who will speak second.

STATEMENT OF HON. ALBERT ANGRISANI, ASSISTANT SECRETARY OF LABOR FOR EMPLOYMENT AND TRAINING, AND HON. ROBERT M. WORTHINGTON, ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION

Mr. ANGRISANI. I will go first, if you do not mind, Mr. Chairman. I am just going to submit my statement for the record.

Senator STAFFORD. Your full statement will be placed in the record.

Mr. ANGRISANI. I will just say a word or two. No. 1, thank you for holding these hearings. We have worked with Senator Quayle's subcommittee on some specific items regarding the management process of the current CETA system, and I think it is a good opportunity for us to start this CETA reauthorization process off in a joint capacity with your committee.

There are many, many unanswered questions from the CETA side of the equation. We do not have all the answers right now. But we do welcome this opportunity to share with you some of our thoughts, some of our concerns, and most importantly, listen to the ideas that you may have for moving forward with this legislation. We feel that it is very important that we do so in a joint, cooperative fashion because the bottom line of this whole process is training—whether it is vocational education training or remedial training or CETA training in general. It is important that we tie this into a nice, neat package very quickly, by the end of this fiscal year.

So I am here in the spirit of cooperation today, to listen and to learn, as well as to talk, and I welcome the opportunity to answer any of your questions.

[The prepared statement of Mr. Angrisani follows:]

STATEMENT OF ALBERT ANGRISANI
ASSISTANT SECRETARY OF LABOR
FOR EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
AND THE
SUBCOMMITTEE ON EDUCATION, ARTS
AND HUMANITIES
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

October 21, 1981

Mr. Chairmen and Members of the Subcommittees:

I wish to thank you for the opportunity to appear before you today at this joint hearing on the relationship between employment and training programs and vocational education. These hearings are particularly appropriate in view of the impending expiration of the Comprehensive Employment and Training Act (CETA) at the end of FY 1982 and the current consideration being given by the Congress and the Administration to options for employment and training programs beyond FY 1982.

Let me begin by briefly reviewing the relationship between CETA and vocational education. Then I would like to say a few words about where we are in our employment and training policy review process. While I will focus my remarks on the relationship of CETA programs to vocational education, it is important to note that other employment programs also have significant linkages to vocational

education, including the Work Incentive (WIN) program, the Targeted Jobs Tax Credit, and apprenticeship training.

CETA and Vocational Education

CETA and the Vocational Education Act each fund skill training programs, but there are important differences between the two programs.

In the case of vocational education, most funding is provided by State and local governments. Federal resources account for only a fraction of the total public expenditure on vocational education in a year.

Federal funding for vocational education can be put to a variety of uses including skill training, work study and cooperative education programs, remodeling of facilities, and curriculum development. Federal funds are allocated by formula to each State which must set aside a minimum for handicapped, economically and academically disadvantaged and postsecondary programs and adult programs. Each State determines its own intra-state allocation of Federal resources. In general, though, vocational education serves a much broader clientele than CETA.

CETA skill training programs are federally funded, with no State or local matching fund requirements. CETA focuses almost exclusively on the economically

disadvantaged unemployed population, with the goal of placing eligible individuals into unsubsidized employment. States have an important role under CETA, but do not provide extensive funding.

The need to strengthen the relationship between these two systems which provide similar types of services among clientele groups has long been recognized. Before CETA, the Manpower Development and Training Act (MDTA) gave preference to training and education provided through State vocational education agencies. The 1973 CETA legislation contained a number of provisions intended to tie the two systems together, including required representation of vocational education on State and local CETA councils and a mandatory set-aside of training funds for vocational education. Additional provisions to strengthen the relationship between the two systems were contained in the 1977 amendments which added youth programs to CETA. Specifically, prime sponsors were required to use at least 22 percent of their Youth Employment and Training Program allocation for local education agencies to serve in-school youth in programs designed to enhance their career opportunities and job prospects. This arrangement frequently involved schools providing vocational education programs.

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Most recently, the 1978 CETA reauthorization strengthened considerably the requirements for coordination with vocational education. This included:

-- instituting new planning requirements, with tie-ins to vocational education;
-- increasing the vocational education set-aside in the Title II training program; and
-- establishing a new set-aside for Governors to encourage linkages between education and CETA training programs.

In addition to implementing these statutory requirements, the Employment and Training Administration has taken a number of administrative steps to encourage a closer working relationship between CETA and vocational education programs. For example, 10 demonstration projects have been funded to strengthen CETA/vocational education collaboration. This 18-month demonstration terminated last month and final results are not yet available. Also, ETA has issued a technical assistance guide on the coordination of CETA and vocational education. This guide is for the use of C[illegible]ime sponsors and grantees.

A concern for coordination of CETA and vocational education also is manifested in the 1976 amendments

to the Vocational Education Act. Annual applications submitted to State Boards of Vocational Education are required to describe how the proposed activities relate to programs conducted by CETA prime sponsors. The five year State plans must also set forth criteria developed for coordinating CETA and vocational education programs.

Despite these advances, there remain a number of barriers to a more effective relationship between the CETA and vocational education system. For example, the two systems have different planning and funding cycles. Then there is the different clientele focus to which I alluded. Also, the fact that CETA prime sponsors are the chief elected officials of city, county and State governments, whereas the local school system and community college districts generally operate independently from these officials, may hinder collaboration. Furthermore, CETA has experienced much greater Federal control than has vocational education.

I believe that further administrative improvements in the relationship between the two systems are desirable and feasible, and I intend to continue to work to achieve these.

Employment and Training Policy Review

As you know, in recent months the Department of Labor has been conducting a broad policy review to consider

options for training and employment legislation in 1982--when CETA authority expires. The issues involved in a reconsideration of the Nation's training and employment policies are complex and extend beyond those activities authorized by CETA. Although we have not reached a final position within the Administration on the redesign of the training and employment system, during the meetings and conversations I have had with practitioners and others a few general points of consensus have emerged.

-- Federal legislation cannot be overly prescriptive regarding the structure and operation of programs.

-- Training and employment programs should be held accountable for moving participants into private sector jobs and, thereby, increasing their earnings.

-- Training and employment programs cannot serve everyone who needs some assistance.

-- With fewer resources, we will have to achieve administrative efficiencies including eliminating overly prescriptive Federal regulations so as to increase the level of service per dollar of outlay.

-- And finally, it is critical that we not repeat the past error of overpromising and

creating unduly high expectations for training and employment programs.

As I noted earlier, an examination of the options available to us in a reconsideration of Federal training and employment policies goes beyond CETA.

It is an opportunity for all of us to examine our broader policy objectives and to reassess how the Federal involvement in several current programs--including CETA and vocational education--can be redirected so as to enhance the development of the Nation's human resources.

Mr. Chairmen, during the coming months, I look forward to continuing to work with you as we both consider issues and options available in developing training and employment legislation that will be more likely to result in improved employment and earnings of those we serve. As this time I would be pleased to answer any questions that you or other Subcommittee members may have.

Senator STAFFORD. Thank you very much, Mr. Angrisani. That was as brief as we expect statements to be in the State of Vermont, under the Coolidge tradition. [Laughter.]

We would be glad to now hear from Dr. Worthington.

Dr. WORTHINGTON. Thank you, Mr. Chairman, Senator Quayle, and Senator Pell.

I would like to say that I, too, am pleased that you have called these hearings. The first person I called in Government the day after the President nominated me to this position was Al Angrisani. I said, "Al, I want to sit down and talk with you," and I went over to see him. We have met on several occasions, and we expect to be holding a lot of discussions on vocational education together.

I would like, also, to provide a formal, more detailed statement, but I will take 5 or 6 minutes and briefly read a summary statement.

I am pleased to be here with you today to talk about vocational education, an enterprise including more than 19,000 institutions offering a great variety of vocational education programs to more than 20 million of this Nation's youth and adults at a total annual cost of approximately $8 billion of local, State, and Federal funds combined. These vocational education programs range from introductory vocational guidance in prevocational industrial arts at the middle school level to highly sophisticated technician training in technical institutes and community colleges. And many of these programs involve close collaboration with business, industry, and labor—for example, many different types of cooperative vocational education, apprenticeship, and quick start customized training for new industries that contribute to both local and State economic development. Not the least of our endeavors is a broad spectrum of special programs for the disadvantaged and the handicapped, as well as for the limited English proficient, displaced homemakers, American Indians, and others.

I emphasize the breadth of purposes and offerings in vocational education because I believe that the changes that we, as a Nation, will confront during the 1980's are of similar breadth. The dimensions of change for this next decade can be categorized as economic, technological, demographic—and I would add governance, because of the significant changes that this administration's approach to governance will make, particularly in education and training. I will briefly list some of these coming changes because I firmly believe that any comprehensive discussion of skilled work force development systems for the future must take these changes into account.

Under the heading of economic change, we have the problem of overall low productivity; deteriorating competitive position in some industries; aging and inefficient plants; inflation; and a short supply of investment capital.

Under the heading of technological change, we have rapid change in many industries, plus the introduction of some completely new technologies; further acceleration of this rate of change because of expected new investment in industrial research and development; the massive changes in the offing due to advances in information technology, and the resulting obsolescence of skills in many occupations; and the need for training and retraining programs for ever-increasing levels of skills.

Under the heading of demographic change, we have the overall aging of the work force; a projected decrease in the percentage of the work force composed of youth, but an increase within that age bracket of minorities; we have an outmigration of skilled workers from the Frost Belt to the Sun Belt; a gradual skewing of the work force toward the service sector and white collar occupations and away from the manufacturing sector and blue collar occupations; a tendency for adults to remain in the work force longer and to opt for later retirement; a continued influx of women into the work force; an increase in the number of skilled adults whose jobs are being lost through structural adjustments in the national and international markets; an increasingly mobile work force; and a continuing concentration of poor, unskilled or low-skilled workers in densely populated urban areas.

Because of these many changes, the skilled work force development agenda for the 1980's will be far more complex and demanding than that of the 1960's and early 1970's. Then, the major focus was on bringing the economically disadvantaged into the mainstream of the national economy. This problem as it affects youth and young adults is still with us, but must now share the stage with a number of other vital national needs. Any listing of national needs for the 1980's would include the following:

Defense preparedness. According to a report of the House Armed Services Committee and numerous statements by industrialists and their national associations, the lack of skilled manpower may prove to be a serious impediment to the planned defense buildup and will, at the least, drive up defense procurement costs.

Second, domestic energy production. The inherent instability of reliance on foreign sources of energy supply has resulted in the private energy sector's heightened investment in a variety of domestic energy programs. Many of these demand not only increased supplies of new workers but new types of skilled workers.

Agricultural production and related fields is a third need. Agricultural exports contribute $40 billion on the plus side of the Nation's balance of payments; but there is little, if any, surplus.

If this Nation means to keep its crucial lead in agriculture, new technologies must be developed and more highly skilled workers trained in agribusiness, natural resources and environmental protection.

Fourth, economic revitalization of inner cities. The Kemp-Garcia free enterprise zone concept is one approach to economic revitalization. The highest concentration of unskilled workers are found in the inner cities. Therefore, a major emphasis must be put on providing quality training programs in the inner cities.

Another dimension of change is the philosophy of governance. We are now in the process of transferring not only operational authority to the States and localities, but also final responsibility for the direction and accomplishments of these programs. The Federal Government will become a junior partner and facilitator in these programs, providing leadership and developmental resources as required. It will not be a major source of funding for State and locally operated programs.

I emphasize the governance change because this approach is far different from that of the 1960's, when the manpower development

and training program began, and the 1970's, when CETA came into being. During those decades, the popular approach was to create new, federally funded and directed programs, with responsibility remaining at the Federal level. This was never the approach to funding vocational education, where Federal funds were intended to lever or generate State and local moneys, a strategy that has proved eminently successful, and a strategy that fits expected conditions in the 1980's.

Given the four dimensions of change with which we must deal in the 1980's—economic, technological, demographic, and governance—the desirable characteristics of a training system will probably include: First, the training system should be of broad scope. The system must offer many different kinds of programs including those of considerable technical complexity.

It must be highly flexible. Because many retraining needs will have to be answered within short timeframes, the system will need the capability to gear up quickly and reshape itself with minimum delay.

Minimum Federal cost would be another characteristic. Given the great overall cost of addressing skilled work force needs pursuant to the many demands anticipated, Federal dollars must generate much greater amounts of both public and private dollars. Clearly, the stability of public funding will be greater if guaranteed by existing State and local statutes.

Decentralized operation. In order to achieve the flexibility required and to meet the governance requirements of this administration, the system must show an established State and local structure requiring minimum Federal direction or supervision.

Inplace training facilities. The system should be "hard" in that training facilities are in place and immediately available, rather than having to be created anew each time a different need arises. During the past few weeks, Secretaries Bell and Weinberger exchanged letters concerning skill shortages in the defense industrial base and how vocational education might assist in easing these shortages. Secretary Weinberger clearly was interested in an approach that—and I quote—"would give us the potential of using an existing training infrastructure to meet our manpower needs".

Another characteristic is the ability to work with the private sector. The system will need proven capabilities to collaborate with private employers to mutual advantage, with established working mechanisms to achieve such collaboration.

Finally, the system should have experience in training special needs populations. Since expected work force shortages mandate that all sources of potential skilled workers be tapped, the system must have online instructional programs for reaching such sources—including the disadvantaged, the handicapped, the limited English proficient, and women choosing to enter nontraditional fields—and it must have demonstrated capabilities to serve these special populations successfully.

While vocational education rates more highly on some of these characteristics than others, and while it cannot, entirely by itself, meet all of the skilled work force demands expected in the 1980's, I am convinced that it is the only education and training system this Nation possesses that comes reasonably close to meeting these re-

quirements. However, my personal conviction must be supported by facts. In this brief statement, I will only attempt to provide a few typical examples.

First, vocational education has a distinguished track record in addressing national problems. Just before and during World War II, largely at the joint initiative of vocational education's Federal head and State directors, more than 7.5 million defense workers were trained in over 1,500 vocational centers throughout America, in just 5 years. On another front, agricultural leaders and Presidents alike have commended vocational agriculture and the Future Farmers of America as having contributed significantly to the agricultural productivity that this Nation now enjoys.

Second, vocational education today is not resting on its laurels of the past, nor has it needed any special invitation to begin an effective response to current national needs. For example, California has set up special programs to train computer and electronics technicians for the Lockheed Missiles and Space Co. The State Technical Institute of Memphis, Tenn., has $5 million in contracts with the U.S. Navy to train skilled naval technicians of various kinds; and all 50 States now have "quick start" training programs for new and expanding industries. Many have been in operation for some time.

In our Office of Vocational and Adult Education, we have established special task forces in defense preparedness, the private sector, and entrepreneurship—and two others will shortly get underway in high technology and in agriculture and its related fields. These internal task forces will quickly develop into national panels including representatives from all concerned organizations and sectors.

As still another example, my office is negotiating a contract with the National Academy of Sciences and its panel of scholars so that it can investigate the whole question of enterprise zones, youth employment in the inner city and depressed rural areas, and how vocational education can respond to these problems in new and creative ways.

In conclusion, I emphasize that in supporting vocational education and its potential, I do not belittle other skilled work force training programs. In the first place, vocational education has the dual purpose of both educating and training for marketable skills. Other programs such as CETA were created for different purposes. Many instances of effective collaboration between these two programs are to be found throughout the United States. For example, in Utah, four Salt Lake area school districts and Utah Technical College served 419 CETA clients last year with a 72 percent placement rate. Another Utah example is Project Articulation which is part of a statewide effort to use 6 percent CETA-vocational education moneys to develop curriculum modules, effect institutional change, and enhance program coordination, especially for disadvantaged potential dropouts.

In Vermont all CETA title VII and skilled training improvement programs are conducted in vocational centers. For example, in Brattleboro, Bennington, and Burlington programs that train CETA-eligible participants to become licensed practical nurses, vo-

cational funds were used to support the instruction while CETA funds were used to support the students.

These examples and my earlier comments suggest that vocational education cannot only contribute heavily toward meeting the skilled work force development needs of the 1980's, but is the appropriate vehicle for coordinating other training resources such as those in the private sector and those supported by other Federal agencies.

Mr. Chairman, I thank you for this opportunity to meet with you and the members of your subcommittees, and I assure you of my full cooperation in considering issues and alternatives that will impact on the effectiveness and comprehensiveness of this Nation's education and training programs in the future.

We have submitted for the record a comprehensive background paper describing the vocational education enterprise in greater detail, together with a historical account of coordination between these programs and those under the Manpower Development and Training Act and the Comprehensive Employment and Training Act. I will be pleased to answer any questions that you might have.

Senator STAFFORD. Thank you very much, Dr. Worthington. The full statement you mentioned will be made a part of the hearing record.

[The prepared statement of Dr. Worthington follows:]

Statement of

ROBERT H. WORTHINGTON
Assistant Secretary for
Vocational and Adult Education

Before the

Subcommittee on Employment and Productivity
and the
Subcommittee on Education, Arts, and Humanities
Committee on Labor and Human Resources
United States Senate

October 21, 1981

MR. CHAIRMEN AND MEMBERS OF THE SUBCOMMITTEES:

I AM PLEASED TO BE HERE WITH YOU TODAY TO TALK TO YOU ABOUT VOCATIONAL EDUCATION, WHICH IS AN ENTERPRISE INCLUDING MORE THAN 19,000 INSTITUTIONS OFFERING A GREAT VARIETY OF VOCATIONAL EDUCATION PROGRAMS TO MORE THAN TWENTY MILLION OF THIS NATION'S YOUTH AND ADULTS, AT A TOTAL ANNUAL COST OF APPROXIMATELY $8 BILLION -- LOCAL, STATE, AND FEDERAL FUNDS COMBINED.

THESE VOCATIONAL EDUCATION PROGRAMS RANGE FROM INTRODUCTORY VOCATIONAL GUIDANCE AND PRE-VOCATIONAL INDUSTRIAL ARTS AT THE MIDDLE-SCHOOL LEVEL TO HIGHLY SOPHISTICATED TECHNICIAN TRAINING IN TECHNICAL INSTITUTES AND COMMUNITY COLLEGES. AND MANY OF THESE PROGRAMS INVOLVE CLOSE COLLABORATION WITH BUSINESS, INDUSTRY, AND LABOR -- FOR EXAMPLE, MANY DIFFERENT TYPES OF COOPERATIVE VOCATIONAL EDUCATION, APPRENTICESHIP, AND "QUICK START" CUSTOMIZED TRAINING FOR NEW INDUSTRIES THAT CONTRIBUTE TO BOTH LOCAL AND STATE ECONOMIC DEVELOPMENT. NOT THE LEAST OF OUR ENDEAVORS IS A SIMILARLY BROAD SPECTRUM OF SPECIAL PROGRAMS FOR THE DISADVANTAGED, AND THE HANDICAPPED, AS WELL AS FOR THE LIMITED ENGLISH PROFICIENT, DISPLACED HOMEMAKERS, AMERICAN INDIANS, AMONG OTHERS.

I EMPHASIZE THE BREADTH OF PURPOSES AND OFFERINGS IN VOCATIONAL EDUCATION BECAUSE I BELIEVE THAT THE CHANGES THAT WE, AS A NATION, WILL CONFRONT DURING THE 1980S ARE OF SIMILAR BREADTH. THE "DIMENSIONS OF CHANGE" FOR THIS NEXT DECADE CAN BE CATEGORIZED AS: ECONOMIC, TECHNOLOGICAL, DEMOGRAPHIC -- AND I WOULD ADD, "GOVERNANCE", BECAUSE OF THE SIGNIFICANT CHANGES THAT THIS ADMINISTRATION'S APPROACH TO GOVERNANCE WILL MAKE, PARTICULARLY IN THE EDUCATION AND TRAINING AREAS. I WILL BRIEFLY LIST SOME OF THESE COMING CHANGES BECAUSE I FIRMLY BELIEVE THAT ANY COMPREHENSIVE DISCUSSION OF SKILLED WORKFORCE DEVELOPMENT SYSTEMS FOR THE FUTURE MUST TAKE THESE CHANGES INTO ACCOUNT.

UNDER THE HEADING OF ECONOMIC CHANGE, WE HAVE THE PROBLEM OF OVERALL LOW PRODUCTIVITY; DETERIORATING COMPETITIVE POSITION IN SOME INDUSTRIES; AGING AND INEFFICIENT PLANTS; INFLATION; AND A SHORT SUPPLY OF INVESTMENT CAPITAL.

UNDER THE HEADING OF TECHNOLOGICAL CHANGE, WE HAVE RAPID CHANGE IN MANY INDUSTRIES (PLUS THE INTRODUCTION OF SOME COMPLETELY NEW TECHNOLOGIES); FURTHER ACCELERATION OF THIS RATE OF CHANGE BECAUSE OF EXPECTED NEW INVESTMENT IN INDUSTRIAL RESEARCH AND DEVELOPMENT; THE MASSIVE CHANGES IN THE OFFING BECAUSE OF ADVANCES IN INFORMATION TECHNOLOGY; INCREASED USE OF AUTOMATED EQUIPMENT; THE RESULTING OBSOLESCENCE OF SKILLS IN MANY OCCUPATIONS; AND THE NEED FOR TRAINING AND RETRAINING PROGRAMS FOR EVER-INCREASING LEVELS OF SKILLS.

UNDER THE HEADING OF DEMOGRAPHIC CHANGE, WE HAVE THE OVERALL AGING OF THE AMERICAN WORKFORCE; A PROJECTED DECREASE IN THE PERCENTAGE OF THE WORKFORCE COMPOSED OF YOUTH (BUT AN INCREASE WITHIN THAT AGE BRACKET OF MINORITIES); AN OUTMIGRATION OF SKILLED WORKERS FROM THE "FROST BELT" TO THE "SUN BELT"; A GRADUAL SKEWING OF THE WORKFORCE TOWARD THE SERVICE SECTOR AND "WHITE COLLAR" OCCUPATIONS AND AWAY FROM THE MANUFACTURING SECTOR AND "BLUE COLLAR"

OCCUPATIONS; A TENDENCY FOR ADULTS TO REMAIN IN THE WORKFORCE LONGER AND TO OPT FOR LATER RETIREMENT; A CONTINUED INFLUX OF WOMEN INTO THE WORKFORCE; AN INCREASE IN THE NUMBER OF SKILLED ADULTS WHOSE JOBS ARE BEING LOST THROUGH STRUCTURAL ADJUSTMENTS IN THE NATIONAL AND INTERNATIONAL MARKETS; AN INCREASINGLY MOBILE WORKFORCE; AND, A CONTINUING CONCENTRATION OF POOR, UNSKILLED OR LOW-SKILLED WORKERS IN DENSELY POPULATED URBAN CENTERS.

BECAUSE OF THESE MANY CHANGES, THE SKILLED WORKFORCE DEVELOPMENT AGENDA FOR THE 1980S WILL BE FAR MORE COMPLEX AND DEMANDING THAN THAT OF THE 1960S AND EARLY 1970S. THEN THE MAJOR FOCUS WAS ON BRINGING THE ECONOMICALLY DISADVANTAGED INTO THE MAINSTREAM OF THE NATIONAL ECONOMY. THIS PROBLEM--ESPECIALLY AS IT AFFECTS YOUTH AND YOUNG ADULTS--IS STILL WITH US, BUT MUST NOW SHARE THE STAGE WITH A NUMBER OF OTHER VITAL NATIONAL NEEDS. ANY LISTING OF NATIONAL NEEDS FOR THE 1980S WOULD INCLUDE THE FOLLOWING:

1. DEFENSE PREPAREDNESS - ACCORDING TO A REPORT OF THE HOUSE ARMED SERVICES COMMITTEE--AND NUMEROUS STATEMENTS BY INDUSTRIALISTS AND THEIR NATIONAL ASSOCIATIONS--THE LACK OF SKILLED MANPOWER MAY PROVE TO BE A SERIOUS IMPEDIMENT TO THE PLANNED DEFENSE BUILD-UP; AND WILL, AT THE LEAST, DRIVE UP DEFENSE PROCUREMENT COSTS.
2. DOMESTIC ENERGY PRODUCTION - THE INHERENT INSTABILITY OF RELIANCE ON FOREIGN SOURCES OF ENERGY SUPPLY HAS RESULTED IN THE PRIVATE ENERGY SECTOR'S HEIGHTENED INVESTMENT IN A VARIETY OF DOMESTIC ENERGY PROGRAMS. MANY OF THESE DEMAND NOT ONLY INCREASED SUPPLIES OF NEW WORKERS, BUT NEW TYPES OF SKILLED WORKERS.
3. AGRICULTURAL PRODUCTION AND RELATED FIELDS - AGRICULTURAL EXPORTS CONTRIBUTE $40 BILLION ON THE PLUS SIDE OF THE NATION'S BALANCE OF PAYMENTS; BUT THERE IS LITTLE, IF ANY, GRAIN SURPLUS AND MOST FARM

ACREAGE IS BEING LOST TO OTHER LAND USES EACH YEAR. IF THIS NATION MEANS TO KEEP ITS CRUCIAL LEAD IN AGRICULTURE, NEW TECHNOLOGIES MUST BE DEVELOPED AND MORE HIGHLY SKILLED WORKERS TRAINED IN AGRIBUSINESS, NATURAL RESOURCES, AND ENVIRONMENTAL PROTECTION.

4. Economic Revitalization of Inner-cities - The Kemp-Garcia free enterprise zone concept is one approach to economic revitalization. However, the highest concentration of unskilled workers are found in the inner cities. Therefore, a major emphasis must be put on providing quality training programs.

Another "Dimension of Change" is the philosophy of Governance: We are in the process of transferring not only operational authority to the States and localities, but also final responsibility for the direction and accomplishments of programs. The Federal Government will become a junior partner and facilitator in these programs, providing leadership and developmental resources as required. It will not be a major source of funding for State and locally operated programs.

I emphasize this kind of change because this approach is far different from that of the 1960s (when the Manpower Development and Training Act began) and the 1970s (when C.E.T.A. came into being). During those decades, the popular approach was to create new federally funded and directed programs, with responsibility remaining at the Federal level. This was never the approach to funding vocational education, where Federal funds were intended to lever or generate State and local monies--A strategy that has proved eminently successful; and a strategy that fits expected conditions in the 1980s.

Given the four "Dimensions of Change" with which we must deal in the 1980s--economic, technological, demographic, and governance--the desirable characteristics of a training system will be:

- o Broad Scope - The system must offer many different kinds of programs, including those of considerable technical complexity.
- o Highly Flexible - Because many retraining needs will have to be answered within short time-frames, the system will need the capability to gear up quickly and reshape itself with minimum delay.
- o Minimum Federal Cost - Given the great overall cost of addressing skilled workforce needs pursuant to the many demands anticipated, Federal dollars must generate much greater amounts of both public and private dollars. Clearly, the stability of public funding will be greater if guaranteed by existing State and local statutes.
- o Decentralized Operation - In order to achieve the flexibility required and to meet the governance requirements of this Administration, the system must show an established State and local structure requiring minimum Federal direction or supervision.
- o In-Place Training Facilities - The system should be "hard", in that training facilities are in place and immediately available, rather than having to be created anew, each time a different need arises. During the past few weeks, Secretaries Bell and Weinberger exchanged letters concerning skill shortages in the Defense industrial base and how vocational education might assist in easing these shortages. Secretary Weinberger clearly was interested in an approach that--and I quote--"would give us the potential of using an EXISTING training infrastructure to meet our manpower needs."
- o Ability to Work with the Private Sector - The system will need proven capabilities to collaborate with private employers to mutual advantage, with established working mechanisms to achieve such collaboration.

And, finally--

- Experience in Training Special Needs Populations - Since expected workforce shortages mandate that all sources of potential skilled workers be tapped, the system must have on-line instructional programs for reaching such sources--including the disadvantaged, the handicapped, the limited English proficient, and women choosing to enter nontraditional fields--and demonstrated capabilities to serve these special populations successfully.

While vocational education rates more highly on some of these characteristics than on others--and while it cannot, entirely by itself, meet all of the skilled workforce demands expected in the 1980s--I am convinced that it is the only education and training system this Nation possesses that comes reasonably close to meeting these requirements. However, my personal conviction must be supported by facts. In this brief statement, I will only attempt to provide a few typical examples.

First, vocational education has a distinguished "track record" in addressing National problems. Just before and during World War II--largely at the joint initiative of vocational education's Federal head and State Directors--more than 7,500,000 skilled Defense workers were trained, in over 1,500 vocational centers throughout the United States, in just five years. On another front, agricultural leaders and presidents, alike, have commended vocational agriculture and the Future Farmers of America as having contributed significantly to the agricultural productivity that this Nation now enjoys, worldwide.

Second, vocational education, today, is not resting on its laurels of the past--nor has it needed any special invitation to begin an effective response to current National needs. For example, California has set up special programs to train computer and electronics technicians for the Lockheed Missiles and Space Company; the State Technical Institute of Memphis, Tennessee,

HAS $5 MILLION IN CONTRACTS WITH THE U.S. NAVY TO TRAIN SKILLED NAVAL TECHNICIANS OF VARIOUS KINDS; AND, ALL FIFTY STATES HAVE "QUICK START" TRAINING PROGRAMS FOR NEW AND EXPANDING INDUSTRIES--MANY HAVE BEEN IN OPERATION FOR SOME TIME.

IN THE OFFICE OF VOCATIONAL AND ADULT EDUCATION, WE HAVE ESTABLISHED SPECIAL TASK FORCES IN DEFENSE PREPAREDNESS, THE PRIVATE SECTOR, AND ENTREPRENEURSHIP--AND TWO OTHERS WILL SHORTLY GET UNDERWAY IN HIGH-TECHNOLOGY AND IN AGRICULTURE AND ITS RELATED FIELDS. THESE INTERNAL TASK FORCES WILL QUICKLY DEVELOP INTO NATIONAL PANELS INCLUDING REPRESENTATIVES FROM ALL CONCERNED ORGANIZATIONS AND SECTORS. AS STILL ANOTHER EXAMPLE, MY OFFICE IS NEGOTIATING A CONTRACT WITH THE NATIONAL ACADEMY OF SCIENCES AND ITS PANEL OF SCHOLARS SO THAT IT CAN INVESTIGATE THE WHOLE QUESTION OF ENTERPRISE ZONES, YOUTH EMPLOYMENT IN THE INNER CITY AND IN DEPRESSED RURAL AREAS, AND HOW VOCATIONAL EDUCATION CAN RESPOND TO THESE PROBLEMS IN NEW AND CREATIVE WAYS.

IN CONCLUSION, I EMPHASIZE THAT--IN SUPPORTING VOCATIONAL EDUCATION AND ITS POTENTIAL--I DO NOT BELITTLE OTHER SKILLED WORKFORCE TRAINING PROGRAMS. IN THE FIRST PLACE, VOCATIONAL EDUCATION HAS THE DUAL PURPOSE OF BOTH EDUCATING AND TRAINING FOR MARKETABLE SKILLS. OTHER PROGRAMS, SUCH AS C.E.T.A., WERE CREATED FOR DIFFERENT PURPOSES. MANY INSTANCES OF EFFECTIVE COLLABORATION BETWEEN THESE TWO PROGRAMS ARE TO BE FOUND THROUGHOUT THE UNITED STATES.

FOR EXAMPLE, IN UTAH, FOUR SALT LAKE AREA SCHOOL DISTRICTS AND UTAH TECHNICAL COLLEGE SERVED 419 CETA CLIENTS LAST YEAR, WITH A 72 PERCENT PLACEMENT RATE. ANOTHER UTAH EXAMPLE IS "PROJECT ARTICULATION" WHICH IS PART OF A STATEWIDE EFFORT TO USE SIX PERCENT CETA-VOCATIONAL EDUCATION MONIES TO DEVELOP CURRICULUM MODULES, EFFECT INSTITUTIONAL CHANGE, AND ENHANCE PROGRAM COORDINATION--ESPECIALLY FOR DISADVANTAGED POTENTIAL "DROPOUTS."

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In Vermont, all CETA Title VII and skilled training improvement programs training are conducted in Vocational Centers. For example, in Brattleboro, Bennington, and Burlington programs that train CETA-eligible participants to become licensed practical nurses, vocational funds supported the instruction while CETA funds supported the students.

These examples and my earlier comments suggest that vocational education cannot only contribute heavily toward meeting the skilled workforce development needs of the 1980s, but is the appropriate vehicle for coordinating other training resources such as those in the private sector, and those supported by other Federal agencies.

Mr. Chairmen, I thank you for this opportunity to meet with you; and I assure you of my full cooperation in considering issues and alternatives that will impact on the effectiveness and comprehensiveness of this Nation's education and training programs in the future. We have submitted for the record a background paper describing the vocational education enterprise in greater detail, together with an historical account of coordination between these programs and those under the Manpower Development and Training Act and the Comprehensive Employment and Training Act.

I will be pleased to answer any questions that you or other Subcommittee members may have at this time.

Senator STAFFORD. Senator Quayle and I will both invite our dear friend and longtime colleague, Senator Randolph, to make any statements he wishes to at this time.

Senator RANDOLPH. Mr. Chairman, I am very grateful for your indulgence, to permit me, because of schedule interruptions which have kept me from being here to listen to the testimony of the Governor of Delaware, Mr. du Pont, to make a statement at this time. I talked with Governor du Pont briefly in one of the hallways as I came here today. Also, I have not had the opportunity to listen to the testimony of Mr. Angrisani.

Senator STAFFORD. He spoke in the Coolidge tradition, Jennings, only about 2 minutes.

Mr. ANGRISANI. The temperature is below 50, and I am very brief, anyway. [Laughter.]

Senator RANDOLPH. Well, this is the coolest hearing room I have been in.

Senator STAFFORD. I pointed out earlier, Senator, that a fault in the heating system is supplying us with nothing but cold air in this chamber this morning.

Senator RANDOLPH. Yesterday morning, I will say to my colleagues and guests, we had snow in my home town of Elkins, W. Va., and I have not checked yet to see what the situation is this morning, but we do often have snow in October that does not remain very many hours, once the sun comes out.

I would invite you all to come to West Virginia this weekend to see the wonderful foliage. I do not want to speak against Vermont in any sense, however.

Senator STAFFORD. Well, our foliage has passed, so you are welcome to have the tourists now.

Senator RANDOLPH. That is right. It does move from that area into the highlands of West Virginia. But truly, this past weekend, I have never seen anything more breathtaking—although that is an overused word—as you drive, as I did, from Morgantown to Charleston.

On a previous trip through West Virginia, I wrote these words: Autumn days are wonder days, with colors red and gold; summer is gone and fall is here, and the year is growing old. And often do I like to think that God, with mystic hands, has reached down from Heaven and painted all the land. But there is a mysticism about the beauty of an autumn, and I think we recognize that, as we appreciate the changing of colors. And I believe, of course, when you are younger, as I am, you reflect more under those circumstances.

But I am very appreciative to have the opportunity to speak of this, perhaps, an indulgence, but hopefully not an indiscretion.

I am a strong supporter of vocational education and youth programs. I look back to 1963. That was the 100th anniversary of our State of West Virginia. We were signed into statehood by Abraham Lincoln in 1863. I make no reference to politics when I recall that on our 100th birthday, June 20, 1963, the then President of the United States, Mr. John Kennedy, spoke in Charleston, in the driving rain. It had rained most of the night and during the day, and when he stepped out on the portico of the State capitol building, it was not a bright day. And as was his custom, you know, he did not wear a hat, and he did not want an umbrella held over him as he

made certain, very meaningful remarks on our anniversary. But the first words he spoke were these: The sun may not always shine in West Virginia, but the people always do.

Now, why should I mention this today? I think it is characteristic of many States, certainly including Vermont and Indiana—is Indiana included?

Senator QUAYLE. Well, of course. [Laughter.]

Senator RANDOLPH. Of course, I believe in Indiana. The finest football—well, the finest basketball player—let us get to basketball—whoever came to the college where I had something to do with coaching was a tall young man from Rushfield, Ind.—that is where Wendell Willkie was from. He was 6 feet, 3 inches tall, and he had just been graduated from the high school. I went out to Indiana and drove him back to Elkins, W. Va. He became a freshman at our college, married a West Virginia girl, and helped us to capture three State collegiate championships. So I can say something good for any State. [Laughter.]

Senator QUAYLE. Yes, but where are his kids going to school? [Laughter.]

Senator RANDOLPH. And I never speak of the tragedy of Calvin Coolidge beating a West Virginian for the Presidency in 1924, John W. Davis. I never speak of that; we just rather chuckle.

But you forgive me, and I doubt if you will. [Laughter.]

But I come now to 1963 in the State of West Virginia, and what were our facilities for vocational education. We had nine of these facilities, schools, whatever you would want to call them. Today, we have 94, and we continue to turn away hundreds and hundreds of youth and adults who frankly, I could say, require this training; they really require it if they are to be productive workers, and then taxpayers to the United States of America and other political subdivisions. They really require the training. And you say, "Well, let them get it themselves." That is impossible, in many instances.

I have talked with the State officials in connection with these programs. I have visited at least 25 of these vocational-technical schools in our State, perhaps more. And those State officials and I are joined in a very understandable concern that I would like to express to all of our witnesses, and the two who sit at the table now, over the proposed reductions in vocational education program funding. And they and I point out the fallacy, we believe, in cutting back on vocational education funds, while we propose to revitalize the economy in other ways in our country.

In our State, our people generally believe that revitalizing the economy must go hand in hand, not by cutting out vocational education, as is indicated, but by keeping it strong if we are to revitalize our economy.

Recently in West Virginia, and I do not like to report it, entire occupations have almost become obsolete. That is nothing new in one State. It has occurred in many States, because of our changing patterns of production and factory output, in not only the building and fabrication of some items, but even in connection with the transmittal of those to the public.

Now, this means that we in the State of West Virginia have something that other States have, and that is these constantly increasing layoffs—whether our economy is good or bad, we are

having problems, and I am not attributing it to anyone or any administration. But we are faced with not only the obsolescence that I speak of but the layoffs in plants that have been operating and still are trying to do that.

I want to tell you, and I have asked my staffer to give me the figures, that within the 94 vocational education facilities that I mentioned earlier, we have been serving 162,196 individuals. So people have been a part of this program; it has been a people's program, and I rather stress that fact.

Louie Marx, Inc., a firm in Marshall County up in the northern panhandle of our State, had to close its plant and 839 men and women are out of employment. Avtex Fibers in Kanawha County, laid off 800 workers. Owens Illinois, the glass people in Marion County, laid off 335. Houdaille in Huntington, W. Va., laid off 650 workers. Libby Owens Ford laid off 400 workers in Kanawha County.

Now, there are the permanent cutbacks, as I have indicated, with the closing of a plant or plants, but we have also had problems within our coal mining industry. But as various new occupations emerge and new and more modern equipment is required, it is essential that the equipment and the built-in practicing of skills in vocational education programs be updated to be comparable with that which we know exists, properly so, in business and industry.

The technical skills of vocational education teachers need to be upgraded, also, so as to cover the changes that are taking place across this broad spectrum which I have mentioned. Training for new and expanded industries—and we have some new industries in our State—must be furnished to provide the new industry the needed encouragement for these industries to come into our State of West Virginia, or into Indiana or into Vermont, where there have been closings. Here there can be a utilization of the plant facility, including some of the facility's existing equipment, if it is retooled within a plant.

So these are matters which I think the vocational education program cannot stand aside from, but can perhaps be very instrumental in helping.

Currently, the States contribute $10 to every $1 in Federal funds appropriated for vocational education. I think that this is an indication that we at the State level believe in the program.

I know I have talked with State legislators. They report that they will be unable, apparently, at this time in the sessions being held to appropriate the additional funds that would replace the Federal reduction. There is a need for more, not less, vocational education funding.

I thank you, Mr. Chairman.

Senator STAFFORD. You are always most welcome, Senator, and your contributions to this or any other committee you serve on are always very valuable.

Let me address a few questions. Before that, if it is agreeable, Senator Quayle, we might hold the opportunity open for all the members who were not here this morning, for 2 days, to submit questions in writing to the witnesses, if that is agreeable to the wit-

nesses, also. And we would appreciate your prompt reply, if you could do that.

Let me ask just a few questions, and I may submit just a few of these to you for response in writing, in view of the frigid atmosphere we are trying to work in this morning and the way 12 o'clock is approaching us.

Mr. Angrisani, let me ask you this. I believe it was a report published by your department which indicated that the lack of coordination between CETA and vocational education was more the result of personalities and turf fights and less the result of mechanical shortcomings in the legislation. Could you comment on these assertions, and when you have completed, I would be pleased to have Dr. Worthington respond also, if he cares to.

Mr. ANGRISANI. I am not too familiar with that report, but I can comment on the point you just raised. If it was, as asserted, personalities and things like that, that may have existed in the past; but we have a very good working relationship with Dr. Worthington and Secretary Bell, and Secretary Donovan and I have gone out of our way to help cultivate that relationship, and I do not see that as being a problem as in the past.

I think that the potential areas of duplication and overlap are more in the planning side. In terms of getting to the bottom line in this whole situation—if I could just say for a second that when you put all the rhetoric aside and everybody finishes telling everybody else what they have done in the past and the specific parts of their programs that are exemplary or the particular things that they are doing exceptionally well—we have in front of us a very unique problem and that is that we have two pieces of training legislation that are coming due for reconsideration at roughly the same time, and because of the scarcity of resources that we face in the future, we need to tie these together in a neat package, in cooperation with the educational system, into a plan that works. And I have to say that in the spirit of cooperation that exists between Education and Labor we, in fact, are trying to analyze what we really believe works before we come forward with a complete and detailed program. We have been here a few short months, and the manpower situation has been studied for the last 20 years. So, though Secretary Donovan and I feel very comfortable that the spirit of cooperation that exists is a critical element, we are proceeding cautiously and carefully in developing the solution to this problem.

So perhaps one of the reasons for being brief here today is that, from our standpoint, all the answers are not known yet, and we feel that working together with Education and this committee we have to arrive at those answers in the very near future.

Senator STAFFORD. Dr. Worthington, do you concur in that?

Dr. WORTHINGTON. Yes, I do. Mr. Chairman, I cited just a very few examples in my paper, but we have a full report on examples of collaboration and cooperation. Having served in State government at the time the MDTA Act went into effect, that act clearly spelled out the role of various agencies. CETA was a little less descriptive than MDTA and tended to cause more of what you referred to as "turfsmanship".

But I think we have been very cooperative in most respects, throughout the Nation, in CETA-vocational education collaborative efforts, and can be more so in the future.

Senator STAFFORD. Thank you.

As you both know, the President is planning to abolish the U.S. Department of Education. Suggestions have been made to transfer administration of the Vocational Education Act to the Department of Labor. This, of course, would include moving the vocational agriculture programs to the Department of Labor, a move which I expect would be opposed by the farmers of this country. Would you both, if you care to, comment briefly on the implications of this move, should it occur?

Dr. WORTHINGTON. Secretary Bell, as you know, Senator, has submitted a report to the President, who is studying it at this time, which gives options for the future of the Department of Education or for Education's role at the Federal level. Until the President has made his decision on these issues, I really cannot comment, other than to say it is being studied.

Senator STAFFORD. This is sort of a hypothetical question, in any event.

Dr. WORTHINGTON. As far as vocational agriculture programs, sir, I did see a resolution that came from the State agriculture administrators recently, in which they did not take too kindly to that idea.

Senator STAFFORD. I would hate to go home and explain it to my commissioner of agriculture in Vermont, as a matter of fact.

Do you have any comment on it, Mr. Angrisani?

Mr. ANGRISANI. Well, we are below our ceilings, Mr. Chairman, and we would welcome Bob and his crew over to Labor—I am kidding now, strike that from the record. [Laughter.]

Mr. ANGRISANI. In all seriousness, I think this is a time to explore all the options, and the President is doing that. It comes down to the point that I made before, and that is that the relationship between CETA employment and training, vocational education, and the overall educational institution has to be married not so much physically, but from the standpoint of philosophy and direction. And I consider the movement of bodies and desks and things like that to sic incidental to the ultimate issue which is can we move forward in a coordinated effort. That is the key issue, I think.

Senator STAFFORD. Thank you very much. I am going to put one more question to you both, if I may, and then the others I have, I will do in writing for your response at your early convenience.

Recently, Mr. Robert Carlson, a member of the White House staff, made the following statement, quoting: "I believe everything should be done by the private sector, and when the private sector cannot handle something, then the local governments should take over." He later added that, "States should assume responsibility for solving problems only as a last resort."

What level of confidence do you have in the private sector's being able to completely handle vocational education and job training, and do you believe there is no constructive role that the Federal Government can play in promoting these services?

Dr. WORTHINGTON. Well, vocational education historically, as you know, Senator, has been a Federal, State, and local partnership, with the Federal Government contributing the smaller part in terms of the dollars, but the dollars serving as a catalyst for State and local investments.

As far as the private sector is concerned, vocational education has traditionally worked closely with the private sector through the use of training committees—every good vocational training school in this country has specialized advisory groups on the trades; in fact, you will find this is almost universal throughout the Nation, where schools use people from the private sector to advise.

As I mentioned in my statement, we have established a task force which is looking at the private sector and vocational and adult education to determine to what extent the private sector might assume some of the funding responsibility that has been almost exclusively Federal, State, and local in the past; and, to encourage more involvement generally.

I was impressed by Governor du Pont's idea of involving the private sector more, and particularly his emphasis on the preventive, rather than the remedial.

Senator STAFFORD. Thank you very much.

Mr. Angrisani.

Mr. ANGRISANI. Yes, Mr. Chairman. If you are asking can the private sector do the job tomorrow without any transition, I think the answer is clearly no. Ultimately, though, there is no doubt in our minds that the private sector is where the jobs are and that we have to transition into a mode where they can take a leadership role in this process.

Secretary Worthington mentioned the Department of Defense and some of the activities that they were doing with defense contractors. We are pursuing a similar course in some of the things that we are doing, and there is no doubt that we have to tie the training activities that we are doing to the stream of jobs in the country. And I think that down the road it would be ideal to assume and to look forward to the private sector doing the entire job on its own, as the private sector does in many other countries. But clearly, there is a need for transition.

Senator STAFFORD. Thank you both, gentlemen. I will submit my additional questions to you in writing, as I said.

Senator Quayle, do you have questions?

Senator QUAYLE. Thank you, Mr. Chairman.

Were both of you here for Governor du Pont's presentation?

Mr. ANGRISANI. I missed the first half.

Dr. WORTHINGTON. Yes.

Senator QUAYLE. Were you here when he discussed his idea of a public service corporation and putting training funds, voc ed funds, and employment services funds in a public corporation that would then serve as the conduit for the other prime sponsors? Were you here for that?

Dr. WORTHINGTON. Yes.

Mr. ANGRISANI. No, but I am generally familiar with the idea.

Senator QUAYLE. I would like both of you to comment specifically on that idea and in particular the idea at the State level where he is talking about one entity, this being the public service corpora-

tion, serving as the mechanism for the distribution of funds of three distinct programs—employment service, vocational education, and training.

Dr. WORTHINGTON. Well, traditionally in vocational education, since the Smith-Hughes Act was passed in 1917, there has been a requirement for a State plan which identifies a single State agency or board to receive those funds. That has worked quite well.

I met recently with a conference of State directors of vocational education, and they expressed their conviction that the "sole State agency" requirement should be continued. But the idea that the Governor laid out before us, the idea of pulling all these together for coordination purposes, seems to have some merit. I would like to study his proposal further, and I have arranged with his staff to meet with him to discuss it in more detail in the future. But I think it is an exciting concept and one that could prevent waste and overlap, and could increase coordination in a very positive way.

Senator QUAYLE. Mr. Angrisani.

Mr. ANGRISANI. Yes, Senator. I think, as Bob says, it is an idea that really is a bit intriguing and deserves very, very careful consideration. The primary reason that I feel that way is that struggling with the day-to-day management problems in CETA right now—and also struggling with the need to coordinate what we are doing with voc ed and the Department of Education in general and the other areas of the Government where, in fact, training activity goes on that I was not even aware of until a couple of months ago—the idea of working with 50 public service corporations that are accountable to one entity in government, at least on the surface, sounds like a very clean way of doing business.

However, I do recognize that, as in anything else and in other ideas that we see from time to time in this reauthorization process, there are a lot of good ideas that sound great in theory, but when you really get down to the mechanics of putting them on paper in terms of what is manageable, you get a whole new perspective.

So I think right now in the whole reauthorization process, we are sorting out the philosophical and theoretical side, but that we really do have to roll up our sleeves in the next couple of months and get down to what can work on paper.

Senator QUAYLE. Both of you used words like "exciting concept", "intriguing"—it was not an outright endorsement, I understand that. You have got to study it further. But certainly, you are interested in studying this potential, and you think that it does have a possibility. I found it exciting. I have been talking along these lines ever since I got into the whole training issue.

I wonder if we might extend this "exciting, intriguing concept" from the State level to the Federal level, and that we might have one entity that will deal with employment services, vocational education, and training and employment. How about that intriguing concept?

Dr. WORTHINGTON. I might say that Congress, in its wisdom, in 1917, when they passed the Smith-Hughes Act, created a Federal Board for Vocational Education which had on it five Cabinet members. Now, that eventually was dissolved, but it was the single State board at the Federal level under the Smith-Hughes Act.

Senator QUAYLE. What about this concept at the Federal level? Let us not talk about 1917. Let us talk about 1981.

Dr. WORTHINGTON. Well, sir, I always believe in studying the past, because the past is prolog.

Senator QUAYLE. All right. But what about taking the past and putting it to the present. We have got a problem in the communication. I do not know how many times I have heard that word today—communication, coordination, duplication. We heard it from the Governor, and you used that word five or six times, Dr. Worthington. So what about the concept at the Federal level?

Dr. WORTHINGTON. Certainly, it would be worth exploring. I do not know, really, whether it would work under present circumstances.

Senator QUAYLE. Now, do not be so enthusiastic about it. Secretary Bell may have different thoughts on this, and I would not want you to extend yourself and get in trouble. I mean, this is a public meeting and it is going to be reported and things like that, but how exciting is that idea?

Dr. WORTHINGTON. I think it is pretty exciting.

Senator QUAYLE. Thank you. [Laughter.]

Now, Mr. Angrisani.

Mr. ANGRISANI. I am so excited that I am warming up here, Senator. I think you left out the Department of Commerce in that whole process. Yes, I think it is a very worthwhile idea. I am excited about it. [Laughter.]

Senator QUAYLE. That is all I wanted to know. Now, then——

Senator STAFFORD. I was going to say to Mr. Angrisani, that if he is warming up here, I congratulate his metabolic rate. [Laughter.]

Senator QUAYLE. I would like for each of you to identify what you feel to be the major problem in training. What groups should we be focusing our education and training on—what groups of individuals? You spent a lot of time, Dr. Worthington, on skilled labor. You talked about the military. I agree. In Mr. Angrisani's testimony, he focused on some of the disadvantaged and the youth. I would like to know from a training and education point of view who should be our primary target from the Federal level?

Dr. WORTHINGTON. Well, under our present Federal funding, about 20.9 percent of the dollars are targeted to the disadvantaged in vocational education. But as I tried to point out in my brief summary, vocational education is a very diverse program, extending all the way from the prevocational at junior high, all the way through adulthood, and it is a very diverse program with diverse needs that have to be met out there. In the upper reaches of vocational education, you are speaking of high technology. I have had several top executives stop in to see me, just walk in and say, "We have a serious problem"; for example, an executive from GE and another from one of the computer companies in California, just last week. They are having a serious problem recruiting technicians, the person who works between the craftsman and the engineer—a very serious problem. They want us to put great emphasis on that. We recognize there is a serious problem in the defense industries. The House Armed Forces Committee, for example, reported that there will be a shortage of 250,000 machinists and tool and diemakers in this country over the next 5 years. Being a machinist or tool and

diemaker requires great manual skills, great concentration on precision, a very high aptitude, and good skills, for example, in mathematics and blueprint reading.

I believe we need to continue in vocational education to serve a diverse population, not to limit the Federal encouragement only to one sector of the population, but to continue that diversity.

Senator QUAYLE. Well, now, let me restate my question. I realize the diversity of vocational education, but you also realize that we have a limited amount of resources today. I think you also realize that under this administration, which you happen to be an integral part of, that we are redefining the role of the Federal Government, and we are trying not to expand the role of the Federal Government, but to define its proper boundaries; what kind of philosophical approach and involvement should the Federal Government have in training, have in education. Governor du Pont said the States ought to take back all the education. His tradeoff was not too acceptable, but at least he admitted that that was primarily a State responsibility. And I want to know from the Federal role what should be our primary responsibility. You talk about these machinists, you talk about the skilled labor shortage. But isn't that more of an industry problem than a Government problem? I mean, if we are looking for some skilled labor out there, don't you think that some of the industry is going to train these people? I want to prioritize what the Federal Government's attitude and involvement should be in training and education. I want you to focus in. Are you going to leave me with the idea that the skilled labor problem is the major problem that we have in training, employment and education, and therefore, that should be the primary Federal responsibility? Is that what you are saying?

Dr. WORTHINGTON. Our emphasis on economic development and economic revitalization will require that we train and retrain certain segments of the population to meet the changing demands of the industries as they expand. So vocational education cannot drop that role; it must continue it.

I am very concerned about the high youth unemployment in the cities and the rural areas of America, as well, and I think we need to concentrate on that.

Senator QUAYLE. Now you are warming up.

Dr. WORTHINGTON. As a matter of fact, Senator, 10 years ago when I was State director of vocational education in New Jersey, I launched a campaign which was called "The War on Unemployability." We had more than 60,000 young people at that time, 10 years ago, out of school and out of work. I would venture to say there are probably 80,000 there now. But that is a very, very serious problem we must address.

I like the Governor's approach to the preventive medicine—the preventive medicine of education—to avoid the high cost of remedial programs. We know that the preventive medicine of vocational education costs less, and we should place emphasis on that.

Senator QUAYLE. From a priority level—and this is what I am trying to get out of this—don't you feel that a priority of employment, training, and vocational education, that we ought to be concerned on a priority basis—now, I know that these other problems exist—but on a priority basis, it should be with young people and

the youth, and more particularly, from a Federal level, minority youth? Do you disagree with that?

Dr. WORTHINGTON. No, I do not, totally, but I——.

Senator QUAYLE. You do not totally agree with it, either.

Dr. WORTHINGTON. I must emphasize that we must keep the diversity of vocational education, because vocational education is really a State and local program with Federal stimulation. And as Senator Randolph was pointing out, if the Federal Government had not stimulated the building of vocational facilities through the 1963 act. These facilities would very likely not exist, today.

As part of our reauthorization studies which I am not at liberty to discuss of this time, we are assessing the claim that many of those facilities such as Senator Randolph was talking about need to be refurbished and upgraded. According to reports, we have a lot of obsolete equipment out there.

I would hope that as we present to you our reauthorization package, hopefully sometime during the next session, that we will be able to prioritize some of these things, as you have requested. I think it would be difficult to do it today without further thought.

Senator QUAYLE. Mr. Angrisani, do you want to comment? On a priority basis, what the Federal Government's role ought to be?

Mr. ANGRISANI. From a personal standpoint and from the standpoint of the CETA legislation, I think the answer is clearly disadvantaged youth.

Senator QUAYLE. Pull the microphone closer; I cannot hear you.

Mr. ANGRISANI. From a personal standpoint and from the standpoint of the legislation and the way it is drawn right now, I would have to say that in terms of the Department of Labor's thinking at this point in time, the first priority is disadvantaged youth.

Senator QUAYLE. And that is where you think that the Government should focus; on the disadvantaged youth?

Mr. ANGRISANI. At this point in the development of our thinking, and consistent with the mandate in the legislation, and from a personal standpoint, I think that is the first priority.

Senator QUAYLE. Mr. Chairman, it is close to noon. Thank you.

Senator STAFFORD. Thank you very much, Senator Quayle. We will have another joint hearing. We can assure our guests and witnesses that we will try to find a warmer room than this one for the next hearing.

Mr. ANGRISANI. Mr. Chairman, Senator Randolph extended an invitation for us to go to West Virginia. Do you think I could substitute that for my hearing on appropriations tomorrow?

Senator STAFFORD. Well, Mr. Angrisani, I have been in West Virginia in the winter and discovered it is just about as cold as Vermont is. [Laughter.]

Senator STAFFORD. There being no further questions, this joint meeting of the two subcommittees is adjourned, and we thank you, gentlemen, very much.

[Whereupon, at 12:08 p.m., the joint hearing was adjourned.]

VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS, 1981

TUESDAY, NOVEMBER 24, 1981

U.S. SENATE, SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES, AND THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,

Washington, D.C.

The subcommittees met, pursuant to notice, at 10:10 a.m., in room 4232, Dirksen Senate Office Building, Senator Dan Quayle presiding.

Present: Senators Quayle and Denton.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The committee will come to order.

First, I would like to take this opportunity to express my appreciation to the distinguished Senator from Vermont, Senator Stafford, for leading the way in setting up these joint hearings of the Education and Employment Subcommittees.

In my Subcommittee on Employment and Productivity, we have had a number of hearings, 4 days of hearings in Washington, D.C., and some regional hearings in my home State of Indiana, to try to ascertain the proper role of the Federal Government in assisting with training programs, and in particular, assisting in training programs for youth.

During those hearings and in discussions with Senator Stafford it became apparent that it would be beneficial to have joint hearings on vocational education and training programs as many of the goals and purposes of these programs were very similar.

Our initial joint hearing in October was most successful. At that time we heard from Governor du Pont who discussed the very successful jobs for Delaware graduates program, from Assistant Secretary Angrisani of the Employment and Training Administration, and Assistant Secretary Worthington of the Education Department.

As we continue these hearings, we will search for ways to improve our Nation's approach to one of our most serious problems, that is, youth unemployment.

We must take a hard look at existing programs to assure that any programs with similar or common goals and objectives are run in conjunction with each other. We must give the public the most effective and cost-efficient programs we can without jeopardizing the futures of our young people.

How do we prepare youth for employment? is the major question today. Within that context we must look at existing systems without jurisdictional constraints.

Today, we are pleased to have with us our distinguished colleague, Senator Larry Pressler from South Dakota, who is well known for his interest in and support of vocational education. We will also hear from two groups who represent local jurisdictions to discuss the relationships between CETA and Voc Ed at that important level.

With that, I will turn to my distinguished colleague from Alabama, Senator Denton, for his most welcome comments.

Senator DENTON. I would like to express my appreciation to you, Mr. Chairman, and also to our distinguished colleague from Vermont, Senator Stafford, for your dual efforts in coordinating these joint hearings of the Subcommittee on Education, Arts and Humanities, and the Subcommittee on Employment and Productivity.

With the problems of youth unemployment growing at an alarming rate, the inauguration of these sessions provides a valuable forum for the Senate to study new directions in the Federal Government's role in this area.

I admire the initiative with which you are approaching this matter. For the record, let me say such work is characteristic of my friend from Indiana's intelligence, his experience, and also his personality. I have great respect for him, and I wish to say that at this hearing.

Mr. Chairman, in my own subcommittee I am addressing related welfare, employment, and education matters respecting both the youth and the elderly in our population. And along with you, I am participating in the President's new and overdue reemphasis on voluntarism, and the growth of the private sector's share in what heretofore has been an exclusively Government domain. This exclusive Government involvement has been, I believe, to our growing disadvantage.

The basic thrust of Congress budget and tax bills this year has been to rejuvenate the economy and create new jobs. The statistics tell us that one of the groups in the country that will benefit most from this bigger economic pie is teenagers, particularly minority youths.

In my own State of Alabama, the unemployment rate in 1980 for 16- and 19-year-olds was 25 percent. For minority youth it was 56.7 percent. I have differing views on ways of manifesting affirmative action, depending on the medium in which the affirmative action is taken. But in the field of education, I have very strong views supportive of what amounts to affirmative action with respect to minority youth.

Vocational education should play an important role in helping these young people work and achieve and create. As the U.S. economy becomes more competitive, we will need men and women to understand the latest technologies, and fill new jobs.

Vocational education programs for high school youth can give the disadvantaged the skills necessary to compete in a changing job market. The question is, what is the best way to fund and to deliver these programs?

As mentioned by the chairman, the testimony of the witnesses at the last hearing was of great interest, not only to him, but to me as well, particularly that of Governor du Pont. I share his belief that private sector involvement is essential to the success of any job-training program.

Nobody is better equipped to know the skills required in the marketplace than the employers themselves.

So let us get them involved in vocational education. Governor du Pont, I believe, talked about a $1,500 cost for training an individual who is otherwise qualified for a responsible job within a large corporation. It might not be worth it to the Government to spend this money, but it would certainly be worth it to the corporation. Among the benefits of private involvement might be a savings in Government spending.

I am sure that that sort of thing will be looked into during these hearings. I also firmly believe that preparing youth for jobs before graduation should be our main target. It is very important for a young person's self-esteem to be active. What a teenager does after leaving school could affect his attitudes toward work for years to come.

We have grade school programs called Head Start and others with which I have dealt, which are roughly analogous to some of the programs that Senator Stafford is working on. And some of the employment programs for the elderly are directly parallel to what you are dealing with, Mr. Chairman.

Our efforts with respect to the young person should concentrate on setting that youngster on the right track. This might include, in addition to training assistance, exploration of special wage rates for teenagers.

Leadership of organized labor has been opposed to that concept. I would say that two-thirds of the Members of the Senate worked for less than minimum wages when they were teenagers. I certainly did. I started working when I was about 8 years old, and it helped my family. During the Depression we were lower middle class, at best. I sold magazines, worked for grocery stores, filling stations, and did other jobs for less than the minimum wage. I did not consider that exploitation. The labor market was not hurt by virtue of my industry.

I think there is further investigation needed on this issue, not only in this committee, but in many others.

I might add, as chairman of the Aging, Family, and Human Services Subcommittee, which has jurisdiction over the Federal Government's largest older worker program, that many of the employment problems of youth are shared by senior citizens.

Despite the rapid growth of older America as a part of the population, the percentage of older persons who are continuing to work is declining. Again, that has something to do with the minimum wage.

On a personal note, I set up a nonprofit, charitable operation. My mother has worked in it for 3 years for nothing. She had been retired for about 6. She had lost her typing skills, she had developed arthritis in her hands, her mental acuity had dropped somewhat. Within a few months after taking that job at no salary, which she still has, she was a new person.

Now, I cannot see any harm in putting to work in the labor pool, both youngsters and older people who want to contribute. Their intellectual, physical, and spiritual health can be improved by providing them that opportunity, an opportunity often not permitted because they have to work for the full minimum wage.

According to a recent study by the Joint Economic Committee, the tightness of the job market is discouraging older workers from seeking employment. They are desiring to work past normal working age, but are finding jobs hard to come by. This is a challenge that we have in the years ahead—to design jobs to make maximum use of older workers. In the process, I suspect we may find ways to help our youth.

I am looking forward to reviewing the testimony of today's witnesses, and working with my colleagues on the subcommittee to evaluate our present programs, and weigh options for a Federal role to promote job opportunities for youth.

I want to thank you, Mr. Chairman, for your work here this morning, and for permitting me to make this rather lengthy statement. I do want to assure you of my intense interest in what you are undertaking, and also of the nature of my general beliefs in this matter.

Thank you, sir.

Senator QUAYLE. Thank you very much, Senator Denton. Your intense interest in this, and other matters, has not gone unnoticed. I certainly admire the way that you dig in and to get a hold of issues. I commend you for that. I look forward to working with you.

I am sure Senator Stafford would join me in welcoming your attendance her today as you are the chairman of the Aging and Family and Human Services Subcommittee. There are some common grounds here, particularly in our concern over youth. You are a very avid spokesman on the importance of the family.

If young people do not get started in the right direction, the deterioration of the family unit is accelerated.

So I certainly look forward to working with you. You have proven to be a valuable member of this committee and the Senate.

So with that, we will talk to another valuable member of the Senate.

Senator Pressler.

STATEMENT OF HON. LARRY PRESSLER, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator PRESSLER. Thank you very much, Senator Quayle.

I commend you on organizing these hearings with the two committees, and Senator Denton, let me say that I identified with many of the things that you said. I too had some summer jobs, if they were at the minmum wage, I would not have had them.

Mr. Chairman, I shall be very brief this morning, because I know you have other witnesses. I introduced a bill, S. 952, based upon some of my experiences when I served in the House, and I know there are different ways to approach this problem.

I come from a State with a larger number of Indian reservations where unemployment is very high. Vocational and technical education is very important. I have observed programs in junior colleges,

community colleges licensed nursing programs and so forth that are so important.

Also, we have a State that is not a wealthy State, relatively speaking. We do not have oil or coal, but we depend on agriculture. We depend on the resources of our people, and certainly vocational education is a very important part of that picture.

In fact, in South Dakota, in 1981, a study completed by the South Dakota Advisory Council on Vocational Education showed that for every $1 invested in trade and industrial education programs, South Dakota realized a benefit of $16.86. The study included six different areas from agriculture, a return of $7.95; to health, a return of $12.33; for a combined return for all areas of $12.21. This high return results when a high percentage of our graduates boost productivity by finding jobs and staying in the State—paying taxes, buying goods and services. Boasting a 91-percent placement rate last year for postsecondary, voc-ed graduates, my home State is a perfect example of voc-ed as a major contributing factor to the training and employment demands of our State.

The success of South Dakota's voc-ed programs is resulting in enrollment increases. Most of South Dakota's vocational—technical institutions are filled to capacity with waiting lists for many programs.

Therefore, I come before this committee as an advocate of a strong Federal vocational education commitment, and I would add to that, that our State also must, on a matching basis, be equally committed.

I believe that vocational education has the inherent ability to meet many of our Nation's priorities: human development, economic revitalization, full employment, development of depressed communities.

Therefore, I am pleased that Congress is taking the opportunity to reauthorize the voc-ed law. In our efforts to revitalize our economy, it is the perfect opportunity to evaluate and then recommit ourselves to a strong vocational education policy.

Unfortunately, the Education Amendments of 1976 have created some difficulties for voc-ed programs, and Congress must first address these problems. On February 16, I introduced legislation, S. 952, which was intended to serve as a vehicle for discussing one of the leading problems, the distribution of Federal funds.

According to the National Institute of Education's report, "probably no aspect of the 1976 amendments has generated more problems, confusion and controversy than the required procedure for distributing Federal funds." Unfortunately, vocational education leaders feel that the Federal Government is attempting to control State and local programs with Federal dollars. It must be noted, however, that Federal dollars account for approximately $1 of every $11 spent on vocational education. This Federal portion should be easily integrated into the State and local projects in order to be effective.

S. 952 incorporates the block grant funding mechanism as a means of giving State and local agencies an opportunity to structure programs in a manner consistent with local priorities.

For example, the acute shortage of health care personnel on the Rosebud Indian Reservation in South Dakota brought the commu-

nity to the Todd County School District. Together, they devised a nursing aide program which has prepared high school students to assist in health care delivery.

Similarly, the Lake Area Vocational School in Watertown has had an excellent welding program which was initiated by the growing number of small manufacturers in the community who needed welders. Through industry-donated equipment and support, the employment needs were met. The end result is new jobs, skilled employees, improved productivity, strengthened industry and a rejuvenated economy.

While my bill highlights national priorities for various vocational education programs, it does not mandate the use of funds for such programs. Consistent with President Reagan's block grant concept, public hearings shall be held to allow all segments of the population to give their views on the programs and use of funds. Through 5-year State plans, annual program plans, and accountability reports, the vocational education programs will be monitored.

However, the widely varied needs of our Nation cannot be met with rigid categorical requirements that actually stifle experimentation. I believe the Federal role should be to foster, not mandate, voc-ed efforts.

The decline of the birthrate in this country will mean a decline in the supply of young people entering the labor force during the 1980's and 1990's. Employers will have a harder time recruiting skilled workers, and are likely to turn to relatively untapped groups for new employees—older persons, women who have been out of the work force, the handicapped, and part-time workers. The availability of training for these people will be even more important. Again, I stress the need for State flexibility to meet those training needs.

Mr. Chairman, it is often difficult to attach an economic return on our investment in human resources. However, I have repeatedly seen the effectiveness of vocational education programs.

As this committee considers the future of vocational education and job training in general, I believe we must do everything possible to strengthen our vocational education system. A strong national commitment to voc-ed in the next decade will be extremely important to younger and older workers in a rapidly changing technological age.

I thank the committee very much for this opportunity to testify and appreciate your attention to the training and vocational education needs of our Nation.

Senator QUAYLE. Thank you very much, Senator, and thank you for bringing your legislation, S. 952 to our attention.

As I understand it, your proposal is basically to block grant voc-ed to the States, in that block grant you would eliminate many of the requirements and restrictions that are presently encumbered on the vocational education, is that a fair summary?

Senator PRESSLER. Yes. That is correct.

We find, in the State of South Dakota, at least, that we have some unique situations. In meetings I have had with South Dakota vocational education teachers and people, they feel strongly that more flexibility would be very helpful, if that is possible.

Senator QUAYLE. More flexibility would be inherent in any kind of a block grant concept, is that accurate?

Senator PRESSLER. Yes.

Senator QUAYLE. Let me ask you this. I know of your past interest in vocational education, and I also am aware of your interest in training.

Do you agree with me that there are very similar goals between vocational education programs and training programs? Do you not believe, even at the Federal level, as well as the State level, that their stated purposes, goals, and responsibilities are essentially the same, that they really do not differ that much?

The mechanism is obviously different, but many of their goals are essentially the same.

Would you agree with that?

Senator PRESSLER. I would agree with that.

Let me say, in the next 10 years that our greatest need is going to be people who have skills. We are going to probably have to retrain some people, or train people, which is the same as basic education.

For example, Citibank has decided to relocate their credit card division in Sioux Falls, S. Dak. That will mean about 3,000 jobs. Citibank made the decision to move one of its major divisions to South Dakota, and hopefully other banks will do the same. But that has been an enormous training effort, all of a sudden, in Sioux Falls, and I guess it is basic education. Employees 50 years old are being trained for this very complex processing of credit cards nationwide and worldwide.

So that is retraining, I suppose, but it is really basic education also. I would agree, if I understand your question, that the two are very similar.

Senator QUAYLE. Now, you have focused on the retraining aspect, which is obviously very important. Another key factor which you have referred to in your remarks and which both Senator Denton and I referred to specifically, were the opportunities for training for the young people. You have stated, I believe very accurately, that there is a paramount problem here; that this problem is going to continue, and as we get well into the 1980's, that it could be one of the major problems confronting our States and our Nation.

In Indiana, in particular, with the auto industry, we must be very sensitive to any kind of retraining aspects, as well as the youth unemployment.

I wonder if you might support, at some junction, or give considerable thought to combining our vocational educational programs and our training programs? They ought to be able to function in a more unified method to achieve their goals.

Have you given that any thought?

Senator PRESSLER. As we attempt to consolidate programs and reduce the size and complexity of the Federal bureaucracy, I agree that such a proposal is worthy of consideration.

Senator QUAYLE. Well, thank you very much, Senator. Thank you.

Senator PRESSLER. Thank you very much.

Senator QUAYLE. I look forward to working with you on this problem and others.

Senator PRESSLER. Thank you very much.

Senator QUAYLE. Our first panel today is from St. Louis, Mo., Jewel Livingston and Ronald Stodghill.

Mrs. Livingston, you are first on my list, so proceed at will.

STATEMENTS OF JEWEL P. LIVINGSTON, EXECUTIVE DIRECTOR, ST. LOUIS OPPORTUNITIES INDUSTRIALIZATION CENTERS, ST. LOUIS, MO.; AND RONALD STODGHILL, DEPUTY SUPERINTENDENT FOR INSTRUCTION, ST. LOUIS PUBLIC SCHOOLS, ST. LOUIS, MO., A PANEL

Ms. LIVINGSTON. Good morning, Senator.

To the Honorable Senators Quayle and Stafford, and to the other honorable members of the Senate Subcommittees on Education, Arts and Humanities and Employment and Productivity, I consider it a great privilege and a distinct honor to have been invited to testify before your committee relative to sharing with you my experiences with vocational education as it relates to our OIC employment and training program.

In regards to occupational training needs, in my 10 years of experience in the vocational skill training area, I have found that employment training and services are needed to eradicate many of the problems which make for increases in unemployment in the job market.

Most of the unemployed persons whom we have come into contact with at OIC, initially and generally lack the prerequisites of attitude, education, training and/or experience that a great number of employers specify. Secretaries, often do not possess these required specializations and prerequisites. Typists are available but their speed and accuracy levels are low, most are beneath that of job opening specifications. Sales openings exist but often unemployed salespeople do not exhibit sufficient product knowledge, or are not skilled in making a sales presentation. Many unemployed persons do not meet these specifications.

All of the targeted employment outcomes of St. Louis OIC, such as secretaries, retail salesclerks, cashiers, typists, keypunch/data processors, and receptionists are listed in "Jobs With Most Openings (Projected) 1978-90."

This 12-year projection shows that in the demand for labor versus supply for labor, that skilled laborers are in short supply, in these areas which we presently are offering.

Many unemployed persons are also job losers. Job losses because of inadequacy is ever reoccurring and long enduring. These persons are inadequate because they have not received or have not sufficiently absorbed education, and training necessary to perform a considerable number of jobs. Among those persons are those who have attitudinal, personality, or coordination problems and/or those who have varying degrees of difficulty in comprehending oral or written instructions.

Many employers in the city of St. Louis have singled out more specifically the training needs of the unemployed and the underemployed in our area. Criticisms continue to be levelled by employers that there appears to be a qualitative deficiency in the basic education of many high school graduates. It is charged that far too many

graduates are weak in basic grammar, in the ability to adequately express ideas or opinions either verbally or in writing, in the fundamental concepts and procedures in mathematics and science, and in the possession of the accomplished hand/eye or foot coordination needed to adequately perform in a number of jobs.

Some examples of complaints are excessive spelling and mathematic calculation errors, limited vocabulary, inadequate dexterity needed to quickly perform jobs using hand/eye or foot coordination. Added to the above are complaints regarding a host of attitudinal deficiencies.

Special reports in the Bureau of National Affairs Employment indicate the need for better education and vocational training to help develop a competent labor force capable of adjusting to changing economical and societal forces. Emphasis must be placed on developing competency.

I can only elaborate on the employment and training system employed by those of us at OIC. We believe in working with the whole person on an individualized basis in order to train a participant in any of the skill areas which we offer. This means taking a person from where he is, to where he wants to go. It means building a sense of self-pride, self-respect, self-confidence, dignity and self-worth within the individual. He must be made to feel that, "he is somebody and that whatever goal he sets for himself he can accomplish it, if he really has the desire, the ambition, the aggressiveness and the fortitude to reach that goal." It means motivating that individual to the point whereby he has the desire to get in there and help himself to achieve the goal which he has set for himself. It means changing any negative attitude, to a positive one, so that the individual knows how to get along with his fellow employees and with his supervisor.

He must give his employer a good day's work for a good day's pay, for he knows that if he helps his employer stay in business, it keeps him, as an employee, working. In working with the whole person, this involves individual counseling services, individualized instruction, group counseling sessions, world of work instructions along with refresher instructions to review and recall many things which one had learned previously and had perhaps forgotten; and in some cases, things which had not been learned initially, as well as job placement and job followup activities on a 1-month, 3-month, 6-month, and 1-year basis.

Another added feature in our training program is also a linkage with volunteer groups from business and industry, the clergy, civic as well as community groups. The linkage with business and industry is important from the aspect of providing us with technical assistance, to review our curriculum for each skill area, as well as to review our equipment needs to keep them updated, and in keeping with the business needs of modern day. This avenue helps to keep us abreast of the needs of business and industry.

The Clergy Support Committee is important from the standpoint that the church serves as a recruitment arena, to communicate our programs to their individual congregations, this includes giving their parishioners the facts concerning the program and indicating to them that St. Louis OIC is a source of help for those interested in learning a skill, to help them to obtain a job, after completion of

training, which eventually enables them to become taxpaying citizens. This keeps us in touch with those in the community whom are most in need of our services.

Civic and community groups help us in the public relations area as well as with fundraising activities, which are most needed. CETA funds are not paying 100 percent of anybody's program. Consequently, nonprofit agencies must always seek additional funds. I cannot begin to convey to you the amount of time which I have to spend seeking funds throughout the year in order to have a viable and quality program to supplement the CETA funds allocated to our program.

The OIC skill training program is a source of trained manpower which is available to business and industry in the cities throughout our country wherein OIC's are located. We at St. Louis OIC have struggled hard to create a meaningful and relevant manpower training program to aid our participants in accomplishing a realistic goal for themselves. We have provided employment and training for thousands in our city, as well as, related services for numerous others.

Impediments to training encountered by youth with CETA funds:

One. Payment of stipends to youth encourages one to enlist in a program merely for the stipend payments, rather than for the skill training. Payment of stipends also encourages our youth to go from one program to another program paying stipends, as the stipends become exhausted in each program in which he is enrolled. The other factor relative to stipend payments to youth is that the amount paid is equivalent to minimum wages paid on a job. This does not encourage youth to learn a skill and to go to work in order to become self-sufficient. St. Louis OIC does not pay stipends to persons enrolled in our program. In fact, we have trained over 1,700 ADC recipients throughout our 10-year history, with over 1,300 of those who have entered our program having completed our training, with close to 1,000 of those completing our training receiving unsubsidized jobs, causing them to leave the welfare rolls and becoming taxpaying contributing members of our community.

Two. Business and industry asks for an employment history from persons applying for jobs. Many people whom we train at OIC have no previous work experience. How can one develop a work experience background if, in fact, no one gives such persons a chance to begin, or to develop one? Much of our job developer's time is spent in developing contacts, and encouraging business to give our participants a chance. At least 9 times out of 10, persons who give our clients, who have completed our program, a chance, call us to give them additional employees whenever they have future openings.

Impediments to employment and training programs with the present CETA regulations:

One. OIC's in most cases have not received their fair share of the moneys allocated to the areas where OIC's are located. We have done a good job in most of the OIC cities, but moneys have not been provided based on the performance of the OIC training. Many subcontractors who have been less proficient in their delivery of services were granted larger contracts than OIC's; because there are so many political subdivisions, prime sponsors technically have been in the habit of trying to give everybody a piece of the pie,

rather than to divide the funds according to the most productive programs.

Two. OIC is a proven program that works; however, the CETA legislation is so designed as to fragment the structured plan of an OIC comprehensive program which includes recruitment, intake and assessment, orientation to the program, counseling services, feeder or prevocational training, vocational skill training, jobology, job placement, and job followup services. In the words of our founder, Rev. Leon H. Sullivan, pastor of the Zion Baptist Church in Philadelphia, Pa., "there is more to the OIC program than buildings, curriculum, proposals or machines. There's a basis underneath this program to help people that can never be destroyed, that can never be taken away, as long as our focus is on helping poor people." This is a commitment to our community and to the principles of self-help.

Three. The CETA employment and training legislation has become so broad that the emphasis on training and employment upon completion of training has been diminished because the broadness of the legislation required so many administrative dollars to administer the different programs that fewer dollars were left to actually spend on training, for employment.

Four. The PIC Council, in my estimation, has not been as effective as it could be, because the councils have failed to get input from persons who really are involved in conducting employment and training programs in our area. Many persons on the council rarely possess the knowledge of what is involved in training the unemployed to learn a skill. The membership of the council includes many persons in middle-management positions who are not in a position to make decisions for the company. Training involves much more than just placing a person in a vocational skill training program.

Mr. Chairman, I want to take this opportunity to thank the committee for allowing me to testify before you, and I would like to submit an addendum to this report at a later date.

Senator QUAYLE. We will be more than happy to accept that addendum. It will be incorporated in the record following your remarks.

Thank you very much, and before questions I will turn now to Mr. Stodghill.

Mr. STODGHILL. Thank you, Senator Quayle.

I am very pleased to have to share with you my perceptions relative to vocational education and job training programs.

In examining the relationship between vocational education and employment training, it is important that we understand the differences relative to the origin and intent of these two major programs.

Vocational education has been and is an integral part of the curricula offerings of the local education agency (LEA). It has largely been subject or skill area oriented with, until recently, little or no attention to targeted groups, such as minorities, handicapped, women, et cetera.

Vocational education, until the turn of the century, was operated solely with State and local resources. It was not until 1917 that the Federal Government began to involve itself in vocational education

through the Smith-Hughes Act which earmarked funds to be utilized for training in specific vocational program areas to satisfy the need of business and industry for skilled workers during World War I. Federal subsidy for vocational education continued with essentially the same thrust until 1963 when the Vocational Education Act was passed. This legislation was a dramatic departure from past legislation in that it targeted certain groups to be eligible for receipt of vocational education funds. However, it should be pointed out that the bulk of vocational education funds still continue to support specific program areas.

In sharp contrast, employment training programs over the last 20 years have been focused on providing job opportunities for targeted groups, such as the undereducated, poor, minorities, and the "hard core unemployed." In brief, employment training programs were designed to serve those who were unable to successfully negotiate 12 years of formal schooling and/or the school to work transition.

While vocational education is perceived to be the "school system's business," employment training, on the other hand, has been designed and orchestrated by social and economic reformers who have, in most instances, viewed the public schools of our country as dismal failures. One can understand this phenomenon if one examines the political and social climate of the 1950's and 1960's. Job opportunities were plentiful, but there was a dearth of skilled workers to satisfy the demands of an expanding marketplace. Employment or job training proved to be a politically popular vehicle for responding to this problem. Employment training, as such, was not on the front burner of American education and neither public school officials nor the Department of Health, Education, and Welfare (HEW) lobbied for inclusion in what was perceived as a political response to an educational problem. Consequently, the Department of Labor (DOL) was and continues to be the architect for fashioning programs which serve the needs of underemployed and unemployed persons.

Almost two decades have passed and it appears that we have created empty solutions in search of real problems. Some groups maintain that private industry councils (PIC) if properly funded and implemented, constitute the answer. Others maintain that the National Advisory Council on Vocational Education, as a function of their experience, can do the job. Others say that career education advisory councils or industry education councils can do the job, if given the chance. The list goes on and on. The fundamental question, "What are we really trying to accomplish," becomes increasingly elusive as we continue to work on fine tuning ill-defined delivery systems.

On the one hand, vocational education should serve a preventive, long-term need. It should identify those occupational areas in need of skilled and able persons. It should also insure that those requisite academic competencies, such as language and computational skills, are mastered. While it can be argued that vocational education has not met these objectives (and I would be the first to agree), it nevertheless has the potential for doing so.

Again, this would necessitate a long term commitment that, if successful, would substantially reduce the need for employment

training programs for out-of-school youth. Employment training programs, while needed, are largely rehabilitative in nature and serve as barometers in assessing the failure of public schools to provide its constituency with basic marketable skills.

Part of the problem that we have experienced over the past two decades is the perception that formal schooling, Kg-12, is not integrally related to employment. Thus employment training programs have attempted to work in a vacuum when what is sorely needed is a recognition of the interdependency of education and employment if either is to be effective.

If one examines the priorities associated with the Comprehensive Employment and Training Act (CETA) programs, it becomes clear that the emphasis is on funding programs for out-of-school youth and others who have difficulty finding employment. In a time of fiscal austerity, it would seem that an increased commitment to in-school youth programs would be more cost effective, and would offer potential for a positive and more lasting impact.

There have been isolated and noticeable successes in both vocational education and employment training programs. What is lacking is a structural mechanism to build on those successes. In the St. Louis Public School System, for example, we have offered vocational education to our students for over 125 years. The O'Fallon Technical High School, which is our major facility for delivering vocational education, offers specialized courses in over 14 departments and has developed a cooperative and productive working relationship with local unions over the years.

In addition, we operate the Arthur Kennedy Skill Center, which receives funding through CETA and which enjoys a placement rate of over 70 percent. It should be noted that the programs operated by the Skill Center serve out-of-school youth and unemployed adults. CETA also funds the youth employment training program (YETP) which reaches over 4,000 high school students annually, and has been infused into our regular curriculum.

Our school partnership program, funded by local and Emergency School Aid Act (ESAA) funds, links businesses, universities and cultural institutions with the schools. It has just received an award from the National Association for Industry Education Cooperation for developing over 200 cooperative programs.

Needless to say, we are proud of these accomplishments but we recognize that they are singular and isolated. The reasons for the isolation can be found in the legislation which governs vocational education and employment training. For example, the CETA budget cycle runs from October to September rather than July to June, which is the common budget cycle for public schools. This discrepancy causes problems in planning and carrying out joint programs.

A second example, which quickly comes to mind, is the governance structure for vocational education and CETA programs. Vocational education is typically run by State and LEA officials while CETA programs are run by municipal officials through a prime sponsor arrangement.

A third example relates to the "pilot" aspect of CETA's youth initiatives. It is difficult to plan and coordinate efforts when funding is highly speculative. The YETP activities which have been tre-

mendously successful in the St. Louis Public Schools are on a continuing resolution and the level of funding is still uncertain at this time. I need not remind you that we are well into the 1981-82 school year.

One cannot help but wonder about the emphasis when one examines the funding for vocational education and employment training programs. Vocational education funds are earmarked for specific programs within the public school structure while employment training programs, (CETA) funds are utilized primarily for participant support and stipends.

Consequently, the critically needed academic competencies, counseling and other support and stipends but with the basic foundations that are needed to render a young person employable. Acquisition of basic math skills cannot be separated from the ability to operate a computer. Acquisition and application are basic to the education process and no less essential in the world of work.

In a time of declining resources, it would indeed be frivolous to request more funds when we question the effectiveness of billions of dollars already expended for the purpose of improving employability, employment opportunities and employment for our Nation's citizenry.

What appears to be reasonable to request, however, is a realinement of the existing structure by which we attempt to deliver vocational education and employment training experiences. The inclusion of LEA representatives in the implementation of CETA programs is sporadic and often times subject to the whims of the prime sponsor.

Additionally, private sector participation has not been a vital part of the design and implementation of CETA and vocational education programs. Just as LEA's must submit to the State departments of education a 5-year plan for vocational education, prime sponsors should be required to project needs and proposed activities over a multi-year period. (Require legislative Action). Such planning should be collaborative and avoid duplication of services and/or activities. At present there is no mechanism for this kind of cooperative undertaking. What is obviously needed is a structure whereby LEA and private sector participation is legislatively mandated to carry out the charge of producing a skilled and responsive work force to meet the needs of the marketplace.

As alluded to earlier, the mission must be defined in relatively specific terms. If the purpose of vocational education and employment training programs is to provide for short-term manpower shortages and secure jobs for the unemployed, then we may be moving in the right direction. Duplication and fragmentation efforts can be explained away as a result of our zeal to respond to an immediate crisis.

If on the other hand we view vocational education and employment training programs as means by which we can systematically respond to the needs of the marketplace and at the same time respect individual needs and interests, then a new direction must be taken—a direction which identifies manpower planners, educators, employers and labor union representatives as "equal partners."

As a beginning, it is recommended that an employment and education council be organized as a policy making body with equal rep-

resentation from all of the abovementioned groups. Cooperative efforts would be the key to the workings of this organization. While consortia of this type currently exist under CETA, they do not include broad based representation and do not serve to foster linkages between vocational education and CETA.

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It would be the responsibility of this body to develop a multi-year plan which would guide the school system and manpower program components in sequentially and mutually supportive steps. Such planning should be done in cooperation with the 5-year plans now currently submitted by LEA's to State Departments of Education.

Clearly, there are implications for new legislation, revised funding cycles and modified reporting mechanisms. But if we are to institutionalize vocational education and employment training programs in a way that is cost-effective and holds out hope for stability over time, we must include those who are affected by decisions in the decisionmaking process.

As requested earlier, I would like to submit an addendum at a later date, Senator.

Senator QUAYLE. We will be more than happy to accept that addendum, and it will be incorporated in the record, as will be Mrs. Livingston's.

[The prepared statement of Mr. Stodghill and supplementary comments of Mrs. Livingston follow:]

SAINT LOUIS PUBLIC SCHOOLS

OFFICE OF THE
DEPUTY SUPERINTENDENT
OF INSTRUCTION

November 25, 1981

Ms. Violet Thompson
Room A613
119 D. Street, N.E.
Washington, D.C. 20510

Dear Ms. Thompson:

I requested to send an addendum to my presentation of November 24. Senator Quayles stated that it would be acceptable to do so.

Enclosed, please find a modification of the testimony delivered before Senator Quayles on Tuesday, November 24. I would appreciate it very much if you would take the appropriate steps to insure that this becomes the official recorded statement.

Sincerely,

Ronald Stodghill

RONALD STODGHILL
Deputy Superintendent for Instruction

RS:gb

Enc.

911 LOCUST STREET • ST. LOUIS, MISSOURI 63101 • AREA CODE 314 231-3720

Testimony

Submitted

To

The United States Senate Committee on Labor

And Human Resources

On

Vocational Education

And

Employment Training

November 24,1981

Prepared by: Ronald Stodghill
Deputy Superintendent for Instruction
St. Louis Public Schools

In examining the relationship between vocational education and employment training, it is important that we understand the differences relative to the origin and intent of these two major programs.

Vocational education has been and is an integral part of the curricular offerings of the local education agency (LEA). It has largely been subject or skill area oriented with, until recently, little or no attention to targeted groups, such as minorities, handicapped, women, etc. Vocational education, until the turn of the century, was operated solely with state and local resources. It was not until 1917 that the federal government began to involve itself in vocational education through the Smith-Hughes Act which earmarked funds to be utilized for training in specific vocational program areas to satisfy the need of business and industry for skilled workers during World War I. Federal subsidy for vocational education continued with essentially the same thrust until 1963 when the Vocational Education Act was passed. This legislation was a dramatic departure from past legislation in that it targeted certain groups to be eligible for receipt of vocational education funds. However, it should be pointed out that the bulk of vocational education funds still continue to support specific program areas.

In sharp contrast, employment training programs over the last twenty years have been focused on providing job opportunities for targeted groups, such as the undereducated, poor, minorities and the "hard core unemployed." In brief, employment training programs were designed to serve those who were unable to successfully negotiate twelve years of formal schooling and/or the school to work transition.

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business," employment training, on the other hand, has been designed and orchestrated by social and economic reformers who have, in most instances, viewed the public schools of our country as dismal failures. One can understand this phenomenon if one examines the political and social climate of the 1950s and 1960s. Job opportunities were plentiful but there was a dearth of skilled workers to satisfy the demands of an expanding marketplace. Employment or job training proved to be a politically popular vehicle for responding to this problem. Employment training, as such, was not on the front burner of American education and neither public school officials nor the Department of Health, Education and Welfare (HEW) lobbied for inclusion in what was perceived as a political response to an educational problem. Consequently, the Department of Labor (DOL) was and continues to be the architect for fashioning programs which serve the needs of underemployed and unemployed persons.

Almost two decades have passed and it appears that we have created empty solutions in search of real problems. Some groups maintain that Private Industry Councils (PIC), if properly funded and implemented, constitute the answer. Others maintain that the National Advisory Council on Vocational Education, as a function of their experience, can do the job. Others say that career education advisory councils or industry education councils can do the job, if given the chance. The list goes on and on. The fundamental question, "What are we really trying to accomplish?", becomes increasingly elusive as we continue to work on fine tuning ill-defined delivery systems.

On the one hand, vocational education should serve a preventive, long term need. It should identify those occupational areas in need of skilled and able persons. It should also ensure that those requisite academic competencies, such as language and computational skills, are mastered. While

it can be argued that vocational education has not met these objectives (and I would be the first to agree), it nevertheless has the potential for doing so. Again, this would necessitate a long term commitment that, if successful, would substantially reduce the need for employment training programs for out-of-school youth. Employment training programs, while needed, are largely rehabilitative in nature and serve as barometers in assessing the failure of public schools to provide its constituency with basic marketable skills.

Part of the problem that we have experienced over the past two decades is the perception that formal schooling, Kg-12, is not integrally related to employment. Thus employment training programs have attempted to work in a vacuum when what is sorely needed is a recognition of the interdependency of education and employment if either is to be effective. If one examines the priorities associated with the Comprehensive Employment and Training Act (CETA) programs, it becomes clear that the emphasis is on funding programs for out-of-school youth and others who have difficulty finding employment. In a time of fiscal austerity, it would seem that an increased commitment to in-school youth programs would be more cost effective and would offer potential for a positive and more lasting impact.

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Arthur Kennedy Skill Center which receives funding through CETA and which enjoys a placement rate of over 70%. It should be noted that the programs operated by the Skill Center serve out-of-school youth and unemployed adults. CETA also funds the Youth Employment Training Program (YETP) which reaches over 4,000 high school students annually and has been infused into our regular curriculum.

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One cannot help but wonder about the emphasis when one examines the funding for vocational education and employment training programs. Voca-

tional education funds are earmarked for specific programs within the public school structure while employment training programs (CETA) funds are utilized primarily for participant support and stipends. Consequently, the critically needed academic competencies, counseling and other support mechanisms are given minimal resources. Long term solutions do not rest just with participant support and stipends but with the basic foundations that are needed to render a young person employable. Acquisition of basic math skills cannot be separated from the ability to operate a computer. Acquisition and application are basic to the education process and no less essential in the world of work.

In a time of declining resources, it would indeed be frivolous to request more funds when we question the effectiveness of billions of dollars already expended for the purpose of improving employability, employment opportunities and employment for our nation's citizenry. What appears to be reasonable to request, however, is a realignment of the existing structure by which we attempt to deliver vocational education and employment training experiences. The inclusion of LEA representatives in the implementation of CETA programs is sporadic and often times subject to the whims of the prime sponsor. Additionally, private sector participation has not been a vital part of the design and implementation of CETA and vocational education programs. Just as LEA's must submit to the State Departments of Education a five-year plan for vocational education, prime sponsors should be required to project needs and proposed activities over a multi-year period. (requires legislative action) Such planning should be collaborative and avoid duplication of services and/or activities. At present there is no mechanism for this kind of cooperative undertaking. What is obviously needed is a structure whereby LEA and private sector participation is legislatively mandated

to carry out the charge of producing a skilled and responsive workforce to meet the needs of the marketplace.

As alluded to earlier, the mission must be defined in relatively specific terms. If the purpose of vocational education and employment training programs is to provide for short-term manpower shortages and secure jobs for the unemployed, then we may be moving in the right direction. Duplication and fragmentation efforts can be explained away as a result of our zeal to respond to an immediate crisis. If on the other hand we view vocational education and employment training programs as means by which we can systematically respond to the needs of the marketplace and at the same time respect individual needs and interests, then a new direction must be taken-a direction which identifies manpower planners, educators, employers and labor union representatives as "equal partners."

As a beginning, it is recommended that an employment and education council be organized as a policy making body with equal representation from all of the abovementioned groups. Cooperative efforts would be the key to the workings of this organization. While consortia of this type currently exist under CETA, they do not include broad based representation and do not serve to foster linkages between vocational education and CETA.

It would be the responsibility of this body to develop a multi-year plan which would guide the school system and manpower program components in sequentially and mutually supportive steps. Such planning should be done in cooperation with the five-year plans now currently submitted by LEA's to State Departments of Education.

Clearly, there are implications for new legislation, revised funding cycles and modified reporting mechanisms. But if we're to institutionalize vocational education and employment training programs in a way that is cost effective and holds out hope for stability over time, we must include those who are affected by decisions in the decision making process.

SUPPLEMENTARY COMMENTS
TO
THE TESTIMONY OF JEWEL LIVINGSTON
EXECUTIVE DIRECTOR, ST. LOUIS D.I.C.
FOR
SENATE LABOR AND HUMAN RESOURCES SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

MR. CHAIRMAN:

AS I INDICATED IN MY TESTIMONY BEFORE YOUR COMMITTEE, I WISH TO ADD TO MY TESTIMONY SUBMITTED AT THAT TIME, ADDITIONAL WRITTEN COMMENTARY.

THE ATTACHED REPRESENTS INFORMATION THAT MAY PROVE HELPFUL AS YOU FORMULATE POLICIES THROUGH LEGISLATION FOR THE EDUCATION OF FUTURE GENERATIONS OF AMERICANS FOR THE WORLD OF WORK.

THE O.I.C. EXPERIENCE NATIONALLY HAS INDICATED THAT THERE IS MUCH TO BE GAINED BY COMBINING THE RESOURCES OF C.E.T.A. WITH THOSE OF THE VOCATIONAL EDUCATION SYSTEM.

COORDINATION AS RECOMMENDED BY BOTH THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY AND THE NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION IS ESSENTIAL.

BECAUSE BOTH THE VOCATIONAL EDUCATION ACT AND THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT REQUIRE REAUTHORIZATION AT A POINT IN OUR NATION'S HISTORY WHEN A NEW APPROACH TO GOVERNMENT INVOLVEMENT AND FEDERAL RESPONSIBILITY IS BEING ADOPTED BY A NEW PRESIDENT---THERE IS AN OPPORTUNITY FOR YOUR COMMITTEE TO CONSIDER COMBINING THE TWO IN A MASTER PLAN.

O.I.C. LEADERS STRONGLY FAVOR A COMPREHENSIVE PLAN THAT WOULD ENABLE THE PRIVATE SECTOR BUSINESSES AND THE STATE GOVERNMENTS TO WORK COOPERATIVELY WITH COMMUNITY-BASED ORGANIZATIONS WHO HAVE DEMONSTRATED THEIR EFFECTIVENESS AS DELIVERERS OF EMPLOYMENT AND TRAINING SERVICE.

O.I.C. LEADERS ALSO HAVE INDICATED TO ME IN OUR EXECUTIVE COUNCIL THAT IF C.E.T.A. IS TO BE REPLACED, IT SHOULD BE REPLACED BY A DELIVERY SYSTEM THAT COORDINATES THE EXISTING SCHOOL SYSTEM INCLUDING VOCATIONAL EDUCATION WITH THE ALTERNATIVE SCHOOLS OR CAREER DEVELOPMENT CENTERS DEVELOPED BY REV. LEON SULLIVAN AND THE O.I.C.

CURRENT LEGISLATION INTRODUCED BY SENATOR JENNINGS RANDOLPH AND SENATOR JOHN CHAFEE SPELLS OUT THE CONCEPT OF REV. SULLIVAN.

I WOULD HOPE THAT YOU, MR. CHAIRMAN, AND YOUR COLLEAGUES WOULD EXAMINE THE FIVE-YEAR HISTORY OF THE CAREER INTERN PROJECT UNDER THE O.I.C. WITH THE NATIONAL INSTITUTES OF EDUCATION AND THE U.S. DEPARTMENT OF LABOR.

OUR EXPERIENCE IN ST. LOUIS DID NOT INCLUDE THE DEVELOPMENT OF A C.I.P. (CAREER INTERN PROJECT), BUT I DID FEEL THAT REFERENCE TO ITS RELEVANCY SHOULD BE MADE AS A SUPPLEMENT TO MY ORIGINAL TESTIMONY.

THANK YOU AGAIN.

Senator QUAYLE. Let me just begin, Mr. Stodghill, where you left off.

You were talking about institutionalizing the educational programs and employment training programs in a way that would be most effective. Were you here when I was going over some of that groundwork with Senator Pressler, on a national level?

Mr. STODGHILL. Yes.

Senator QUAYLE. Would it be instructive for us to consider some combination of our vocational-educational programs which are now in the Department of Education, and our training programs, which are in the Department of Labor, into a unified agency or board or Government mechanism.

Would that be instructive, and would that be going in the right direction, in your opinion?

Mr. STODGHILL. Yes. What I am proposing is essentially that, plus some other elements. It seems to me that as we approach vocational education and employment training opportunities, what has happened is the function of the different bureaucratic structures is at best the efforts will be fragmented, at best they are not coordinated efforts.

It seems to me that one of the ways by which we can approach an activity, or approach a program that will have some promise over time, is to unify those who will really have direct involvement in vocational education and employment training, and the only way, it seems to me, that we can begin to do that in a way that makes sense is to bring together the vocational educators, LEA representatives, if you will, along with the employment training people, and to create a policymaking body that also includes those representatives of the private sector who know what the needs of the marketplace are.

We have not moved, although there is some inherent logic in that, we have not moved in that fashion. What we have done essentially, and I guess some of the preliminary studies would indicate, created various turfs, and one group has more expertise theoretically than the other, but in terms of benefiting the young people, the unemployed, the underemployed, we have made little attempt to do that.

What we have done is created billions of dollars to support various interests, but not placing those together in a unified whole.

To what a long-winded response to a direct question, I would agree with you, Senator Quayle.

Senator QUAYLE. I thank you for that, and I believe that may be somewhat of a conclusion that this joint committee may make, not that specific.

Many of our witnesses, including yourself, have responded in the affirmative to that particular question, that there needs to be consolidation or combination of training and vocational education programs.

Now, given the practicalities, we have the vocational education legislation up next year, and we have the employment and training legislation up next year. It will probably be very difficult, where we have to reauthorize those two, to get legislation through the Congress that would adopt such a consolidation. What probably will happen is that both will be rewritten, extended. As vocational edu-

cation is the jurisdiction of Senator Stafford and his subcommittee, I can only speak for my own, the employment training program, and we hope to have a different delivery system than what we have right now.

We do not have the specifics, but let me share with you some of the outlines of that. We are trying to accommodate States responsibilities and local community responsibilities. There is really no way to make everybody happy.

What our objective would be is to make it as flexible as possible, to allow the States increased discretionary authority but retain involvement of cities and local municipalities. I suppose that a big argument and discussion will come in on the composition of any kind of a State council, or board. I wonder if we might be able to use that as a vehicle for getting attention to training programs and vocational education at the State level, focusing in on this responsibility being shifted to the States with flexibility and concern at the local levels.

Do you think this has any merit, and what would be your response in making that effective, from your point of view?

Mr. STODGHILL. I think there may be a number of different views on that. It would be my opinion that such a beginning would offer great promise. Essentially my interest is that private sector participation via a mandate that the inclusion of LEA representation is part of any employment training package, or any employment training legislation—I think that what we can do, and I am not talking about additional dollars, I am talking about existing dollars, and perhaps realinement, and that is to bring those together with policymaking authority, not simply small set-aside or discretion to establish a group, but actually a mandate from Congress to establish such a group that would then have the responsibility of assessing educational and vocational and employment needs in a wholistic fashion, and that given the composition of this group, it would be the kind of expertise that would be able to deliver again in some kind of unified way.

One other aspect in relationship to that, I would push for greater accountability on the part of such a group, in terms of specifications of outcomes.

At the present time there is a tendency to continue to fund and refund activities, without having any grasp really of whether or not those programs have been successful.

I think there should be an attempt to place greater accountability in respect to those funds, and I think that can be a part of any kind of action that Congress would take in terms of what you plan to do over 5 years, subject to annual review, and this has not been a part of the CETA program as I understand it, and it is really not a part of vocational education. It is presently practiced, and I would offer that to be a part of any such formation of statewide body, and I fully support the concept of that kind of statewide composition.

Senator QUAYLE. We have to get out of the habit of these continuing resolutions, if you really want to get right down to the point. The budget process that we have, as well as the authorization process, has to undergo a lot of review, because Congress has just been unable to respond to some of the long-term planning that

is necessary to have a viable program, and to implement delivery systems that are going to be the most effective.

Let me ask you one final question. How are your activities at the St. Louis OIC coordinated with the local vocational education programs?

Mr. STODGHILL. I would defer to Jewel Livingston to respond to that. We do not work that closely, that would be my assessment right now.

Ms. LIVINGSTON. I could only say that we do not involve students under 17 years of age, which means that we try to avoid getting into the school age category. We mostly work with people who are dropouts, who have completed high school, or dropped out after they reach the age of 16. State regulations require children to attend school until age 16.

Senator QUAYLE. So basically you are talking about 17 as a cutoff age, or a dropout?

Ms. LIVINGSTON. Right.

Senator QUAYLE. You would have very little contact or coordination with the public school system?

Now, do you go to the dropouts below age 17?

Ms. LIVINGSTON. No.

Senator QUAYLE. Seventeen is the——

Ms. LIVINGSTON. And over, right.

Senator QUAYLE. I notice, Mrs. Livingston, in your statement, that you brought up the very relevant issue of stipends, and I believe that your testimony reflected that there was not a payment of stipends to your clients.

How do they get income, to exist for their work?

Ms. LIVINGSTON. Well, some, as I related to, are ADC recipients, so they do get a maintenance stipend of $30 a week, which gives them travel to and from, and their food. But those stipends, are not $3.35 an hour as the amount designated as the minimum wage by law.

Senator QUAYLE. Do you find that most of your clients do receive some form of stipend, or not?

Ms. LIVINGSTON. Many of them do not, but quite a few do.

Senator QUAYLE. Do you feel that a training program should not be an income maintenance program?

Ms. LIVINGSTON. Right. We find that we get better percentage of completions out of the persons who enroll when the stipends are not paid. They are there for the skill training, they are easier to motivate, and easier to get to complete their training and reach their goal.

Senator QUAYLE. OK.

In your testimony, you said that many subcontractors have been less proficient in their delivery of services but were granted larger contracts than OIC. You went on to say that this was because there are so many political subdivisions.

Is there any other reason other less efficient delivery services have been granted these awards?

Ms. LIVINGSTON. I really feel those are the major ones. Just as I said, many political entities enter into the funding mechanism, and the prime sponsors try to give everybody a piece of the pie. So somebody comes out on the short end, and many times it is OIC.

Senator QUAYLE. When you say they want to give everybody a piece of the pie, can you name a few of the other subcontractors?

Ms. LIVINGSTON. Senator, would that be ethical?

Senator QUAYLE. Oh, sure.

Ms. LIVINGSTON. Name calling gets you into trouble.

Senator QUAYLE. It will not get me in trouble. It might get you in trouble. I want to know.

Ms. LIVINGSTON. I could stand on the fifth amendment.

Senator QUAYLE. We will talk to you in private, then.

Ms. LIVINGSTON. All right, that sounds better.

Senator QUAYLE. Let me ask one final question of both of you. Both of you referred to the PIC Councils, and I wondered how you feel the PIC Council should be structured to get the most valuable input from the community in making decisions on allocation of resources, and meeting the needs of a community.

Any specific——

Ms. LIVINGSTON. I think Mr. Stodghill gave an example of what he felt it should entail.

I also feel it must include the people who are really operating employment training programs, to really take advantage of their experiences, because they would be most helpful in improving the system, and, of course, I alluded to the middle management people who are on the council you have to have people on the council who can make decisions.

Senator QUAYLE. What kind of people would that be? Would you say middle management, or shall we get the top management, or should you get more people?

Ms. LIVINGSTON. The top management.

Senator QUAYLE. The top management people who are accustomed to making the decisions, forming policy, and taking more of a leadership role?

Ms. LIVINGSTON. Right.

Senator QUAYLE. Do you find a reluctance of community leaders to be willing to serve on a PIC Council?

Ms. LIVINGSTON. Well, in most urban communities there are great demands on those people who hold those positions, they serve on a lot of boards throughout the community, and they do not really have a lot of time, but I believe that if it was mandated, that some of them serve on the committees, I think we would get greater participation.

Senator QUAYLE. OK.

Thank you both very much, and we will look forward to getting all that private information on who is doing a good job, and who is not.

Our next panel is Moody Oswald, William Whitney, G. William Dudley and Robert E. Leak.

Dr. Oswald, you are first on my list, so proceed at your discretion.

STATEMENTS OF DR. MOODY OSWALD, DIRECTOR, OFFICE OF VOCATIONAL EDUCATION, STATE DEPARTMENT OF EDUCATION, COLUMBIA, S.C., WILLIAM B. WHITNEY, OFFICE OF THE GOVERNOR, STATE OF SOUTH CAROLINA CETA DIVISION, COLUMBIA, S.C., ACCOMPANIED BY CHARLES MIDDLEBROOKS, ASSISTANT DIRECTOR, G. WILLIAM DUDLEY, JR., EXECUTIVE DIRECTOR, STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION, COLUMBIA, S.C., AND ROBERT E. LEAK, DIRECTOR, SOUTH CAROLINA STATE DEVELOPMENT BOARD, COLUMBIA, S.C., A PANEL

Dr. OSWALD. Thank you, Senator Quayle, ladies and gentlemen.

I come before this subcommittee today aware that the Congress is on the threshold of making major decisions that will affect occupational education, which will in turn affect the economy of this country. I have every confidence that you will act in this matter with sound judgment.

South Carolina is extremely important in having a dynamic manpower delivery system. This system is comprised of institutions and programs administered by three governing boards: The commission on higher education, the State board for technical and comprehensive education, and the State board of education.

In addition, the CETA Division of the Governor's office of executive policy and programs has responsibility for the administration of programs under the CETA Act. We are also fortunate that an effective relationship and linkages between these agencies have been formed over the past two decades. This ability to work together is one of our fundamental strengths, and quite likely has been one of the major factors underlying the significant economic growth that has been experienced in our State.

Due to time limitations, I would direct my remarks to three specific areas within our comprehensive vocational education system: One, an overview of our vocational education delivery system; comments concerning the vocational CETA relationship in South Carolina, and the vocational education contribution to economic development in our State.

To set my remarks in proper perspective, allow me to briefly direct my area of responsibility as the director of the office of vocational education. I am responsible to the State board of education, to the State superintendent of education for the planning, administration, coordination of all phases of the programs, the vocational education in South Carolina.

The 92 school districts in South Carolina, divided geographically and politically among the 46 counties of the State, derive their power of governance from the people as defined by the State constitution. Prior to 1963, viable skills training programs on the secondary level in South Carolina were virtually nonexistent, outside of vocational agriculture and home economics programs.

Today the vocational education delivery system consists of 55 modern vocational centers, and 218 high schools located throughout the State, which offer a wide variety of occupational training programs.

Secondary vocational education enrollment has increased from 79,097 students in 1969–70 to over 128,000 students in 1981. It is

especially noteworthy that this increase occurred during the same period in which total State secondary enrollment declined by nearly 64,000 students. Currently, approximately 67 percent of the secondary students in South Carolina are enrolled in vocational education programs, which are taught by nearly 2,700 teachers.

Also, nearly 18,000 students are enrolled in vocational training, retraining, and job skill upgrading programs. Vocational education has made steady progress concerning the needs of population groups.

During 1981, over 14,000 disadvantaged students and 6,507 handicapped students were enrolled in vocational education programs in the State. Of those, 94 percent, and 74 percent, respectively, were "mainstreamed" in regular vocational programs. Approximately 63 percent of the total handicapped secondary school population is enrolled in vocational education programs.

During 1981, over $12 million in Federal funds, and approximately $30 million in State and local funds were expended to support vocational programs and services in the system of public education in our State.

Vocational education and CETA, in South Carolina, have recognized the importance in linkages between our agencies in order to assure effective programs for those we serve. Examples include the education linkage project funded through the CETA office, to establish effective linkage between vocational education, business and industry, and other local and State agencies; the joint survey of business and industry in the State to identify new and emerging occupations, and, of course, CETA title IV, youth programs administered through the office of vocational education.

Efforts are continuously underway between Voc-Ed and CETA to increase and find more cost-effective ways to limit tax dollars. This is not to say that there is an absence of problems between Voc-Ed and CETA.

I would like to offer the following recommendations for your consideration. One, revise the Federal regulations for both vocational education and CETA which eliminate points of conflict between the two systems. Avoid overrestrictive requirements that discourage effective programing, and provide for maximum flexibility in meeting best our unique needs.

Synchronize the CETA and vocational planning cycle, and address an effective linkage and planning process in the respective Federal regulations.

Three, designate specific responsibilities under program design to either the local educational agencies, or community-based organizations. Develop a cooperative system where both entities have a necessary, defined role which contributes to the services provided for in-school youth.

Four, establish an audit cycle which provides for CETA audits to occur immediately following a specific program year. Assure that CETA auditors have an adequate understanding of the nature of the programs they are auditing, and the agencies being audited.

Five, develop a set of standards or guidelines which apply to the award of academic credit under CETA and LEA arrangements. Insure that these guidelines are addressed in both sets of Federal regulations. Develop creative programing that links CETA activi-

ties with already existing courses of study, so that the award of academic credit does not adversely affect either program's goals.

Six, discontinue the designation of special target population groups, but rather focus on serving all students, based on individual needs, thereby removing the attached stigma and often harmful effect on these persons. Rather focus on serving all students based on their individual needs.

Seven, provide provisions for community-based organizations to assist local education agencies in the recruitment of students in need of service and in the placement of program completers.

In regard to vocational education contributions to economic development in our State, as I mentioned earlier, nearly 67 percent of the secondary students, in grade 9 through 12, in South Carolina, are enrolled in vocational courses. This occupational training system provides a continuous source of skilled labor, over 200,000 completed in the past 10 years, to help meet the employment needs of business and industry, and significantly contribute to increasing the potential earnings and standard of living of the students served.

For example, a random sample of 371 completers in 1981, revealed an average hourly salary of $4.26. Over 27 percent higher than the prevailing minimum wage.

The followup of the employers who have employed vocational graduates during the last 2 years have shown that these vocational graduates to be good to very good in relation to their technical knowledge, work attitude, work quality, overall performance rating, and relative preparation.

As previously stated, I feel the decision before this committee and the Congress in this matter are crucial in relation to the future effectiveness of occupational training in this country.

I would like to offer two options for your consideration. One, utilize the existing occupational training delivery system in the public school system to serve school-aged students and out-of-school youth. Provide Federal funding to adequately support these training programs and services. Provide the States with the maximum degree of flexibility in order to most effectively meet their unique needs.

Discontinue the designation of special target population groups, but rather focus on serving all students, based on individual needs, thereby removing the attached stigma. Provide provisions for community-based organizations to assist local educational agencies in the recruitment of students in need of service, and in the placement of program completers.

The second option would be to maintain the current systems of vocational education and CETA programs, under their respective Federal laws. However, reduce significantly unnecessary restrictions, synchronize planning cycles, provide for common Federal rules and regulations wherever possible and feasible, and provide increased emphasis and mechanisms for improving linkages at the State and local levels.

We have an excellent manpower delivery system in place in South Carolina, but we need additional financial resources to provide the kinds of results needed to continue to improve the quality of the lives of our students.

Regardless of the option you select, coordination will be essential for the professionals involved in the administration of the training programs. This type of professional commitment exists in South Carolina, among all agencies involved in the manpower delivery system.

In addition to Federal financial support, we need more flexibility in any Federal legislation in order to meet the individual needs of the students and business and industry.

Thank you for your patience and attention.

[The prepared statement of Dr. Oswald follows:]

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201

Charlie G. Williams
State Superintendent of Education

November 18, 1981

Senator Robert T. Stafford
Chairman
Senate Subcommittee on Education
Arts and Humanities
4230 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Stafford:

Enclosed is a draft copy of my written statement for the Oversight Hearings on Vocational Education and CETA scheduled on Tuesday, November 24, 1981 at 10:00 a.m.

I am pleased to have an opportunity to participate in this important process and present South Carolina's education and job training system.

It is my hope that my testimony, and the testimony of other South Carolina representatives, will be of assistance to the Joint Subcommittee and result in strengthening the occupational training system throughout our country.

Sincerely,

Moody Oswald

Moody Oswald, Director
Office of Vocational Education

MO/klh

Enclosure

SOUTH CAROLINA DEPARTMENT OF EDUCATION
OFFICE OF VOCATIONAL EDUCATION
DR. MOODY OSWALD, DIRECTOR

Testimony by Dr. Moody Oswald to the Joint Senate Subcommittees on Education, Arts and Humanities and Employment and Productivity - November 24, 1981

I. Introduction

Senator Stafford, Senator Quayle, Distinguished Committee Members, Ladies and Gentlemen. I come before this distinguished body today aware that the Congress is on the threshold of making major decisions that will affect occupational education which will in turn affect the economy of this country. I have every confidence that you will act in this matter with sound judgement.

II. Overview of Vocational Education in South Carolina

A. Organization and Governance

To set my remarks in proper perspective, allow me to briefly present an overview of the dynamic Manpower Delivery System operating in South Carolina in relation to organization, governance, and my area of responsibility.

The formal educational experiences of citizens in South Carolina are administered by three governing Boards:

1. The Commission on Higher Education has responsibility for strengthening the State's institutions of higher learning to provide quality college education and training beyond high school for every citizen who can profit from it.
2. The State Board for Technical and Comprehensive Education has within its jurisdiction all State-supported technical institutions. This Board has authority over all postsecondary vocational-technical, occupational diploma, and associate degree programs financed in whole or part by State funds.
3. The State Board of Education has responsibility for the governance of secondary and adult educational experiences in the State's system of public schools. The State Board of Education is the sole agency responsible for the administration of vocational programs consistent with the requirements of State and Federal laws.
4. In addition, The CETA Division of the Governor's Office of Executive Policy and Programs, S. C. CETA Consortium as Prime Sponsor, has responsibility for the administration of programs under the CETA Act of 1978. The role of the Prime Sponsor is to develop a comprehensive

manpower program to meet the needs of disadvantaged, unemployed and under-employed individuals in South Carolina.

The Executive Officer of the State Board of Education is the State Superintendent of Education, Dr. Charlie G. Williams, who is a State Constitutional officer and is elected by a popular vote of the people in South Carolina. In my position as Director of the Office of Vocational Education, I am responsible to the State Board of Education through the Executive Officer and Deputy Superintendent for the Division of Instruction, for the planning, administration, coordination, supervision and promotion of all phases of the program of vocational education in the State.

The 92 school districts in South Carolina, divided geographically and politically among the 46 counties of the State, derive their power of governance from the people as defined by the State Constitution. Consequently, educating the children of South Carolina is a State responsibility being duly delegated to the local school districts by State statute.

B. Mission and Major Goals

1. The mission of the Office of Vocational Education, State Department of Education, is to efficiently and effectively: supervise and manage all vocational education funds provided by the State and Federal Governments; render maximum service to vocational education in the public school system; inform local school administrators and the general public as to the problems and needs of vocational education; provide for the professional improvement of vocational administrative, ancillary, and instructional staff; administer all vocational education policies and procedures adopted by the State Board of Education; and, assure compliance by local educational agencies with all State and Federal vocational education laws, rules, and regulations.

2. Major Goals

   a. Appropriate opportunities for career awareness, exploration, and orientation shall exist for individuals of all ages and grade levels;

   b. Appropriate prevocational education opportunities shall exist for ninth and/or tenth grade students;

   c. Appropriate vocational education opportunities shall exist for 100% of all secondary students;

   d. Appropriate opportunities shall exist in vocational-technical education for postsecondary students;

   e. Appropriate opportunities in vocational education shall exist for out-of-school youth;

f. Appropriate vocational education opportunities shall exist for adults to be re-trained or to upgrade their job skills;

g. Appropriate vocational education opportunities shall exist to meet the needs of the handicapped and the disadvantaged citizens;

h. Innovative and model programs in vocational education and supportive services shall exist to meet manpower needs in new and emerging occupations;

i. The effects of sex bias and sex stereotyping will be reduced to ensure equal access to vocational education programs by both male and female;

j. Vocational education programs and supportive services throughout the State shall be of a high quality;

k. Relevant vocational training and supportive services shall be readily accessible to all student populations served in the State;

l. A comprehensive planning effort for coordination and consultation shall exist among all governmental agencies and organizations involved in the delivery of vocational training and supportive services to achieve articulation of vocational education programs.

C. Vocational Education Delivery System

The most crucial turning point for vocational education in this century occurred with the passage of the Vocational Education Act of 1963 followed by the 1968 and 1976 Amendments. Prior to 1963, viable skill training programs on the secondary level were virtually nonexistent outside of vocational agriculture and home economics programs. Since 1963, a truly remarkable explosion of opportunities in vocational education facilities and programs has occurred, moving from an agrarian society to a more industrialized society.

Area Vocational Centers in South Carolina

Fiscal Year	Number of Centers in Operation
1964	0
1966	4
1968	15
1975	45
*1981	55

* Vocational courses are also offered in 218 high schools throughout the State.

The Area Vocational Center concept in South Carolina was designed to eliminate the duplication of high cost vocational programs by school districts and provide an effective means for meeting the employment training needs of students and business/industry. Currently, the dynamic network of 55 area vocational centers serve students from several "feeder" high schools in their respective school

district and, in many cases, "feeder" high schools from multiple school districts.

A corresponding expansion of vocational program offerings has also occurred in the high schools of the State, as comprehensive high schools have evolved--providing occupational skill training in 218 high schools which prior to 1965 afforded few skill training programs for students.

South Carolina now has in place one of the most comprehensive and effective manpower supply systems in this country through vocational education.

D. Program Enrollments/Staff

Statistically, secondary vocational education enrollment in South Carolina has increased from 79,097 students in 1969-70 to 128,586 students in 1980-81 --- an increase of nearly 63.0%. It is especially noteworthy that this increase occurred during the same period in which total State secondary enrollment (grades 9-12) declined by nearly 64,000 students. Currently, approximately 67.0% of the secondary (grades 9-12) students in South Carolina are enrolled in vocational education programs which are taught by nearly 2700 teachers. Also, nearly 11,000 adults are enrolled in vocational training, re-training, and job skill upgrading programs.

FY 1981 Secondary Vocational Education Enrollment/Teachers

Service Area	Enrollment	Teachers
Agriculture	9,984	172
Marketing and Distribution	4,734	98
Health Occupations	1,067	75
Consumer and Homemaking	31,605	419
Occupational Home Economics	1,957	57
Business and Office	37,111	690
Trade and Industrial	23,624	755
Industrial Arts	4,790	84
Prevocational	13,714	193
TOTAL	128,586	2,681

Vocational education training in South Carolina starts in the middle and early secondary grades with career education, prevocational education and industrial arts training programs. Student enrollment in these programs exceeded 20,000 during FY 1981 and are vital in terms of assisting students in selecting their career objective, instilling a solid work ethic, and in contributing toward increased productivity.

During FY 1981, 14,379 disadvantaged students and 6,507 handicapped students were enrolled in vocational education programs in South Carolina, and were

provided special assistance and support services to help them succeed in vocational education. Of these enrollments, nearly 94.0% of the disadvantaged students and 74.0% of the handicapped students were "mainstreamed" in regular vocational programs. A recent study by the Office of Vocational Education, on the extent to which vocational education is serving handicapped students in South Carolina, revealed that approximately 63% of the total handicapped secondary school population is enrolled in vocational education programs.

E. Student and Employer Follow-up

Obviously, enrollment opportunities in occupational training programs at all levels of instruction must yield student placements in gainful employment or continuing education. In the Spring of 1980, 17,960 vocational education students successfully completed secondary occupational programs in South Carolina. Of these completers, approximately 40% entered the job market and 40% continued higher education.

The Office of Vocational Education conducted an employer follow-up of 337 students who had completed their vocational training in the Spring of 1980 and had secured employment in a job related to their vocational training. The results were most encouraging and indicated that employers consider them to be "good" to "very good" in terms of their: technical knowledge, work attitude, work quality, overall performance rating, and relative preparation. Further, there were no significant differences in the employer ratings among the students in relation to sex or racial/ethnic groups.

F. Funding Sources and Distribution

State funds are allocated to local school districts for vocational education based on the number of pupils classified in vocational education (F.T.E.) in accordance with the South Carolina Education Finance Act of 1977. The major purpose of this law is to establish a system of State financial aid that recognizes local financial ability and upgrades educational opportunities for every child in the State's public school system to at least those standards expressed by the State Board of Education's Defined Minimum Program.

Federal funds, consistent with P.L. 94-482, are allocated by formula to local educational agencies. The Federal allocation formula is designed to allocate a higher proportionate share to local educational agencies having the greatest needs. Included in the Federal allocation formula are factors relating to: relative ability to pay, concentration of low income individuals, size of the program (vocational enrollment), unemployment rate, student dropout rate, and initiation of new programs.

During 1980-81, over $12 million in Federal funds and approximately $30 million in State/local funds were expended to support vocational programs/services in the system of public education in South Carolina.

III. Program Improvement Efforts

It is axiomatic that in order for vocational education to effectively serve the needs of students and employers, it must be aware of and respond to those needs. Therefore, the State Department of Education - Office of Vocational Education has placed the highest priority on efforts to improve vocational program quality, effectiveness, and relevancy. The following are representative of some of these improvement efforts:

A. Program Quality and Effectiveness

1. Quality Program Standards

A significant advancement in assuring the continued quality of vocational programs recently occurred as a result of action by the South Carolina Legislature. On June 5, 1980, an Act (R623, S784) was passed to amend certain sections of the 1976 Code of Laws of South Carolina relating to vocational education. This Act required that "On or before December 30, 1980, the State Board of Education shall adopt instructional program standards for vocational programs and a needs assessment format which include instructional requirements for the special characteristics of the different vocational programs..." Further, that "these instructional program standards shall be incorporated in the South Carolina State Plan for Vocational-Technical Education as adopted by the State Board of Education. The instructional standards adopted by the State Board of Education shall be used to evaluate vocational programs." These program standards were developed and approved by the State Board of Education on December 12, 1980. The new program standards and evaluation criteria will be included in the FY 1982 State Plan for Vocational-Technical Education.

2. Professional Staff Development

In order for vocational education programs to be of high quality, they must have competent and qualified administrators, ancillary staff, and teachers. Therefore, the Department of Education - Office of Vocational Education has placed professional development, at both the State and local levels, among its highest priority areas.

Currently, the second phase of an effort to identify professional development needs of vocational teachers is nearing completion. The first phase of this effort focused on the professional development needs of Trade and Industrial teachers, while the second phase addressed the needs of all other vocational

service areas. The results of these projects will provide information needed to conduct relevant inservice training to improve teacher competencies and effectiveness in the classroom.

3. Equipment Updating and Replacement

South Carolina presently has in excess of $20 million invested in vocational equipment located in the 55 area vocational centers and 218 high schools throughout the State. In order to maintain program quality, it is essential that instructional equipment be continually updated. An Equipment Needs Assessment was conducted during FY 1980 and FY 1981 by the Department of Education - Office of Vocational Education to determine specific needs in this area. As a result of this assessment, recommendations were made by the State Board of Education to the State Budget and Control Board for several million dollars in State funds for new vocational equipment and for the replacement of obsolete/worn-out vocational equipment. As a result, the State Budget and Control Board approved and the State Legislature appropriated approximately $2 million in FY 80 and $2.5 million in FY 1981 for this purpose. It is anticipated that at least this level of funding will be required in future years for equipment replacement and updating.

B. Program Relevancy

The planning and decision-making base at the State level, was reinforced by the statewide assessment of Vocational and Technical Education Needs in South Carolina, conducted during FY 1979. This comprehensive effort involved surveying the perceptions of employers, educators, teachers, and the general public throughout the State regarding needs related to vocational and technical education. The final Needs Assessment Report was distributed in December, 1979, to local vocational personnel, TEC administrators, Employment Security Commission, State Advisory Council for Vocational and Technical Education, State Development Board and vocational teacher educators.

Continuing the thrust of the statewide effort, local vocational personnel have been provided aids and assistance in conducting local needs assessments.

a) A Vocational Needs Assessment Handbook was developed for local administrators and vocational planners. This handbook was distributed to vocational center directors during a needs assessment inservice session in April, 1980.

b) An extensive needs assessment training session for local vocational planners was held in the Spring of 1981.

c) Three projects have been funded to conduct vocational needs assessments at the local level: H. B. Swofford Area Vocational Education Center

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(Spartanburg County), Beaufort-Jasper Career Education Center, and the Georgetown County School District.

These are only a few of the efforts currently underway to improve vocational education programs and services in South Carolina, which will provide a solid base for meeting the challenges of the 1980's. Other efforts of equal importance include: the elimination of sex stereotyping, bias, and discrimination in vocational education and advances made in student recruitment in non-traditional programs; the development and field testing of a public relations program for use at the local level; continuing efforts to implement performance-based instructional materials; the coordination of Business/Industry days in over 20 area vocational centers during this year; and, inservice training programs, with college credit, for teachers of disadvantaged and handicapped vocational students.

Vocational educators at both the State and local levels in South Carolina can be extremely proud of the progress in Vocational Education during the past 10-15 years. However, we do not feel that we have "arrived" -- there is much to be done to effectively meet the challenges ahead.

IV. New Thrusts

South Carolina experienced an increase of 528,692 persons or 20.4% from 1970 to 1980. Approximately 80% of this growth occurred in the age groups over 20 years of age. South Carolina's population is steadily getting older and is a continuation of the trend that has been experienced since the early 1900's (median age in 1900 - 18.1 years, 1980 - 28.2 years).

It is expected that the population growth experienced during the past decade will continue and perhaps increase at a faster rate during the 1980's. Population growth alone will cause a corresponding demand for services by the public. This will require a continuing trained labor force in:

*Health Services - doctors, nurses, paramedics, technicians, assistants/aids

*Business and Office - Word processing, data processing, secretaries

*Occupational Home Economics - food services, clothing services, home furnishings, etc.

*Marketing and Distribution - general merchandising, retail trade, etc.

*Trades and Industry - air conditioning, heating and refrigeration, appliance repair, body and fender repair, machine shop, building construction, metal trades

Increasing population longevity will cause an increasing need for medical services and nursing homes. Again, increasing the demand for trained workers in Health Services.

An increasing number of persons in the 21 to 65 age group, coupled with technological advancements in business/industry, will create an increasing demand for adult occupational retraining and skill upgrading programs.

The continuing increase in the number of women entering the workforce will cause a corresponding need for occupational training and support services (guidance and counseling, job placement, child care services, etc.)

A demand for trained labor in new and emerging occupations brought about by technological advancements and business/industry growth and diversification will necessitate the development and implementation of new occupational training programs. A continuing demand for trained workers in specific areas for which there is a current and projected critical need (Business and Office, Distribution and Marketing, Health, Trade and Industrial) mandate that effective measures be taken in student recruitment and program expansions.

South Carolina will continue to experience an unprecedented rate of business/industrial growth/diversification and increasing demand for higher skilled people to meet employment demand in high technology areas.

In order to effectively meet the challenges which the 1980's will present, it will become increasingly necessary to depart from the traditional method of doing things. We must be willing to re-examine our philosophy of vocational education and risk finding better ways for more effective/efficient delivery of training and services to the people and employers in South Carolina. This will necessitate an adjustment in our basic attitudes in willingness to change and courage to initiate appropriate actions.

For example, we will need to:

A. Improve our capability to respond to change. The combined factors of financial investment in equipment and teacher tenure tend to naturally inhibit change. Consequently, in many instances, vocational programs are primarily maintained based on enrollment demand rather than employment demand.

   Potential Strategies

   1. Greatly expand the cooperative method of vocational instruction where, through a joint agreement between the local school district and employers, students alternately receive classroom instruction in school and related on-the-job training.
   2. Continue to enhance communication, coordination, and articulation between all training agencies, employment offices and business industry.
   3. Develop a joint communications network for keeping abreast of technological and employment changes as, and if possible, before they occur.

4. Continue to concentrate efforts at the secondary vocational education level to effectively prepare students with basic academic and job entry skills required for immediate employment and/or continuing education.
5. Continue and increase professional development efforts at the State and local levels for administrators, Ancillary staff, teacher educators, and teachers.
6. Continue to improve teacher pre-service education programs and recruitment efforts to provide a sufficient supply of qualified instructional staff for meeting the State's needs. This is important at the secondary, post-secondary, and higher educational levels, but is especially important in the area of high technology skill training.

B. Improve the effectiveness of needs assessments and planning at the Local and State levels.

There has been a continuing need for more accurate and complete employment demand data (current and projected) at the local level for program modification and planning purposes. This need can be expected to increase and become urgent and critical in the near future. The South Carolina Employment Security Commission is regarded among the top agencies in the Nation in relation to their capabilities in the area of employment and related data. However, it is a fact that State employment data has had little effect in influencing future program decisions at the local school district level. Federal and State law mandates that the inspiration for vocational education planning begin at the local level. Local school districts are required to submit detailed applications to the State Department of Education each year (November), specifically setting forth their proposed vocational programs, services, and utilization of funds for the coming year. In developing these annual applications, local school districts must rely primarily on information received from local advisory councils and local surveys. The State Department of Education staff in reviewing and approving these applications, and lacking local level employment data, must in most cases accept the justification. Essential data is taken from approved applications, summarized, and incorporated in the Annual South Carolina State Plan for Vocational-Technical Education. The State Plan represents, with the exception of State level efforts, an aggregation of approved local plans.

Potential Strategies

1. The improvement, standardization, and expansion of local information gathering techniques, such as the Local Needs Assessment System which was pilot tested in several school districts during FY 1981.
2. The joint development (Employment Security Commission and other State agencies) of an effective employment demand and supply system, with data

aggregation below the State level (i.e., county level) for use by local and State vocational planners.

3. Increase the effectiveness of business/industry and community involvement in vocational education program evaluation and planning.
4. Develop and implement an effective system for retraining teachers and relocating equipment in vocational programs which are planned to be phased out.

C. Improve our ability to Provide Quality and Relevant Vocational Programs.

As a result of the rapid pace of technological advancement, which can be expected to accelerate in the future, it will become increasingly important for vocational education to adjust programs to maintain program quality and relevancy. Correspondingly, it will become financially unfeasible to replace equipment in an attempt to keep up-to-date.

Potential Strategies

1. Multiply our efforts to provide students with basic educational skills, specific occupational competencies and good work habits and attitudes. Much of the economic well being of South Carolina and the Nation will depend upon productivity growth--the ability of the work force to produce more goods and services in an hour of work.
2. Reduce youth unemployment (14.5% age 16-19 in 1980: over 20.0% for minority youth) through a joint effort between the CETA and educational committees. Every rescued youth will represent a small victory against inflation by freeing tax revenues for other investments and increase productivity in South Carolina.
3. Provide the assurance to existing and new industry that the skilled workers needed will be available, and possess the capabilities to deliver.
4. Seek out all sources of additional funding and become more efficient in utilizing available monies in order to keep pace with inflation and meet continually changing needs.

The challenges of the future will focus on the need to change, and the degree of success to which future needs are met will pivot on the extent to which vocational education recognizes the need to change and initiates change.

The future holds many unknowns and will present many problems that will be difficult to deal with. We must seek fresh and new solutions and be willing to take different approaches and methods in meeting and overcoming future challenges.

Above all else, training agencies and employers must improve their abilities to effectively communicate, coordinate, and work together. These linkages will be crucial in relation to how well we respond to the needs of the 1980's.

V. Interagency Coordination

A. Linkages

The South Carolina Department of Education - Office of Vocational Education has long recognized that program effectiveness is in direct proportion to the degree and extent of coordination, cooperation, and communication that exists between training agencies and business/industry at the State and local levels. That such linkages exist in South Carolina has been one of the major factors in promoting and sustaining the tremendous economic and employment growth which the State has experienced during the past 10-15 year period, for example:

1. The State Board Planning Committee; charged with the responsibility to coordinate the development of the Annual State Plan for Vocational-Technical Education, is a good example of effective linkage at the State level. This committee, under the direction of the State Board of Education (Curriculum and Materials Subcommittee) is composed of representatives from: the State Board for Technical and Comprehensive Education, Commission on Higher Education, State Department of Education - Office of Vocational Education, Governor's Office-CETA Division, local school boards, local school administrators, and vocational teachers. The committee is required to meet at least three times, to: a) plan for the development of the Annual State Plan; b) consider the first draft of the Annual State Plan; and, c) to recommend approval of this document to the State Board of Education.
2. At the local school district level local advisory councils are required, to: a) review and recommend approval of the annual local application for Federal support of vocational programs and services; b) advise on current job needs; c) advise on the relevancy of courses offered; and, d) coordinate the programs, services, and activities contained in the local application with other local vocational training programs. Local advisory councils are composed of members of the general public including representatives of business, industry, and labor. In addition, such councils must include representation of both sexes and racial/ethnic minorities of the geographical area served.
3. Also, program advisory committees were required for the first time during FY 1981 (previously optional) to meet with and advise vocational teachers and administrators of the school or area vocational center concerning all aspects of the specific trades or occupations and related instructional program needs.
4. A new thrust initiated during FY 1981 was the establishment of an education linkage project funded through the Governor's Office-CETA Division. The project was specifically designed to establish effective linkage and coordination

between vocational education, business and industry, ESC Job Service, CETA, vocational rehabilitation, technical education, and other training institutions. The project was coordinated and administered by the Office of Vocational Education. Initially, this effort was conducted on a pilot basis and involved ten (10) area vocational centers in predominantly rural areas of the State. Project coordinators are functioning in each of the ten (10) vocational centers to accomplish the following objectives: a) facilitate the transition of students from school to work; b) improve vocational program articulation with other local training programs; and, c) develop an effective communication network. Strategies for achieving these objectives include: establishing a functional job placement and follow-up program; establishing a task force committee with representation from business/industry, vocational education, job service, technical education, vocational rehabilitation, CETA, and higher education; providing technical assistance to local advisory councils and program advisory committees; establishing cooperative education programs which combine work experience related to vocational studies; and, establishing an informational system to create awareness among students of all available local employment and training opportunities. The project is being continued during FY 1982 and, based on results achieved and availability of funds, this concept is planned to be expanded throughout the State in future years.

5. Efforts are also underway to increase inter-agency cooperation, find more cost efficient ways to use limited tax dollars, and generate products with greater versatility among users. On December 5, 1980, the Governor's Office-CETA Division and the South Carolina Department of Education entered an agreement to share the responsibilities for a comprehensive survey of businesses and industries in the State. Independently, the CETA Division planned to obtain information on current and future employment and training needs of business and industry, while the Department of Education planned a study to identify new and emerging occupations in the State. Although the separate studies were different in purpose and context, they were similar in the target population to be surveyed and the common need for this information. An agreement was drafted to combine the resources (money, people, and expertise) of both agencies and expand the project scope to encompass all information requirements. This project is nearing completion at the present time and will be used as a basis for planning technical assistance to local school districts in the near future.

6. The Office of the Governor, CETA Division, serving as Prime Sponsor for South Carolina under a consortium agreement, enters into contracts with the State Department of Education - Office of Vocational Education for the

purpose of providing employment and training services to secondary school youth. This funding comes under the 22% set-aside mandated by the CETA Title IV Federal Regulations for agreements between prime sponsors and local education agencies (LEA's). The Director of the Office of the Governor, CETA Division and the State Superintendent for Education hold signatory authority over these contracts. (YETP, SYEP, Administration.) The Office of the Governor, CETA Division and the State Department of Education - Office of Vocational Education also enter into a non-financial agreement for LEA in-school youth program assurances and requirements found under Section 680.7 of the CETA Federal Regulations. The State Office of Vocational Education then enters into Financial sub-agreements with Local Education Agencies by means of Grant Awards. These Grant Awards are primarily designated for Local Vocational Centers, although some individual school districts receive awards for programs in various high schools across the state. The State Office of Vocational Education maintains a CETA-funded administrative staff to coordinate CETA programs at the state level. The Prime Sponsor and the Office of Vocational Education hold numerous meetings and planning sessions for the purpose of pooling resources and designing programs which best serve disadvantaged youth. The Director of the Office of Vocational Education serves on the State Employment and Training Council. The CETA Youth Program Coordinator for OVE maintains daily contact with Prime Sponsor staff for the purpose of obtaining and disseminating program information for LEA's. Under the present program design, the OVE has established a close working relationship with both the State and Local offices of the State Employment Security Commission. A major advantage of the CETA-Vocational Education linkage is that local school districts and vocational centers operate the programs which serve their students. This local involvement is a primary consideration under the CETA design. It allows for flexibility based on individual district needs and priorities, and eliminates conflicts which might develop when outside agencies deal with youth enrolled in secondary school systems.

7. The Department of Education - Office of Vocational Education has established a close working relationship with the Employment Security Commission and its South Carolina Occupational Information Coordinating Committee (SCOICC) component, by: a) routinely supplying enrollment, completer, placement follow-up, and course information for its data base; b) providing names of completers for a study comparing the teacher versus student based follow-up systems; and, c) serving as a member of the executive board and technical working committee.

8. During FY 1979, local educational agencies in South Carolina were experiencing difficulties in expending the full amount of Section 102(a) Federal setaside funds for serving disadvantaged and handicapped vocational education students. The problem was due to a lack of available State/local funds with which to match Federal fund expenditures for these purposes, as required by P. L. 94-482. Through coordination with, and the cooperation of the State Board for Technical and Comprehensive Education, it was determined that State funds expended at the postsecondary level for educational development (remediation) programs could be used to provide matching for Federal disadvantaged funds expended by local education agencies. Also, a similar approach was worked out with the Office of Handicapped - State Department of Education to provide State-wide matching of the Federal handicapped setaside funds. Both of these methods to provide the required State matching of Federal setaside funds were approved by the U. S. Department of Education.

B. Articulation

Articulation has been a major concern during the past decade of the State Advisory Council on Vocational and Technical Education, The State Board for for Technical and Comprehensive Education and the Department of Education - Office of Vocational Education. Since the early 1970's, efforts have been underway at the State and local levels to articulate occupational programs. These efforts have included surveys, annual State-wide conferences, regional meetings, and local level meetings/agreements. To date, approximately twenty-two vocational-technical programs have been fully articulated from the secondary through the post-secondary instructional levels.

The first written articulation agreement between the State Department of Education - Office of Vocational Education and the State Board for Technical and Comprehensive Education is currently under consideration. This agreement encourages:

--Coordination, cooperation, and articulation between vocational education and technical education from the State level; and

--Local area vocational centers and technical institutions to operate programs jointly for new and expanding industries to enhance the economic growth of South Carolina.

Quoting from this agreement: "There has been and increasingly continues to be coordination, cooperation, and articulation between vocational education and the TEC system. This memo of understanding is a formal recognition of the specific dedication on the part of both systems to be mutually supportive in

their endeavors to promote the economic growth of our state and its citizens. It also acknowledges a statewide commitment and encourages the same on a local level, to maximize the cooperative utilization of both system's resources to the greatest benefit of the state and its people."

VI. Impact of Vocational Education on Economic Development

The dynamic delivery system of vocational education operating in South Carolina has had and will continue to have a significant role in the economic development of this State. Currently, nearly 67.0% or 128,586 of the secondary students in grades 9-12 in South Carolina are enrolled in vocational education courses. This occupational training system provides a continuous source of skilled labor to help meet the employment needs of business and industry. During the past ten year period, nearly 200,000 secondary students have successfully completed secondary occupational training programs throughout the State. Of these, approximately 100,000 entered the job market and secured employment while over 60,000 continued their education at higher levels.

Recognizing that the majority of South Carolina's future population will flow through its public school system, vocational education is in a critical position in relation to increasing the potential earnings and standard of living of students served, and in helping to provide a pool of skilled workers for employers throughout the State. An indicator of how vocational education contributes to higher earnings is revealed in the completer follow-up of FY 1980 secondary vocational education graduates. Of a random sample of 371 completers (157 male, 214 female), the average hourly salary was $4.26, significantly above the prevailing minimum wage rate.

Vocational education is a positive force in the economic development and revitalization of South Carolina. We will continue our efforts at the State and local levels to: initiate programs to meet new and emerging occupational needs; strengthen linkages between education agencies and business/industry; provide skill training, retraining and upgrading for adults; provide for the sharing of vocational facilities for use by the State TEC Special Schools program; articulate all appropriate vocational secondary programs through the postsecondary instructional level; phase-out vocational programs no longer justified by employment demand and initiate new programs to meet employment shortages of skilled workers; and, instill in vocational students sound work habits and attitudes, with special emphasis on productivity.

Vocational education has a vital role to play in assuring the continued economic growth of South Carolina. However, this can only occur through a partnership

approach between the State Development Board, training agencies at all instructional levels, and the Governor's Office-CETA Division. Together, working to improve communication, coordination and linkages, especially at the local levels, will ensure our continued success.

VII. Vocational Education - CETA Legislation

---Opportunities for Improvement

A. Federal Regulations: Interpretation and Restrictions

The current CETA Federal Regulations are difficult to interpret at both the state and local levels. Often requirements are too vague or general to assure adequate policy decisions. On the other hand, there are numerous references which seem to inhibit effective programs while serving no specific purpose. Having two sets of Federal Regulations for Vocational Education and CETA also creates conflicting requirements which discourage linkage. An example of this occurred during the planning cycle for CETA FY 81. Under a new youth model, the OVE CETA program planned to offer a component of CETA-designed Pre-Employment Skills Training to existing classes of Pre-Vocational education mandated by state regulations to be offered at the 9th or 10th grade level. This seemed an ideal way to reach a mix of CETA-eligible and non-CETA-eligible youth by combining CETA and Vocational Education resources. However, this entire phase of the youth model was prohibited by a CETA regulation that any non-CETA eligible youth who received limited services must be 16-21 years of age. Many students at the 9th and 10th grade level in Pre-Vocational classes would not meet the age limitation.

Recommendation: Attempt to develop less cumbersome Federal Regulations for both CETA and Vocational Education which eliminate points of conflict between the two systems. Avoid over-restrictive requirements that discourage effective programming.

B. CETA vs. Vocational Education: Funding and Planning Cycles

Extensive cooperative linkage between CETA and Vocational Education is difficult because of the different funding and planning cycle for each entity. This linkage is further complicated by the fact that CETA is not forward-funded. LEA's are hesitant to commit themselves to staff and participants when funding is tentative and money is obligated at intervals less than a full program year.

Recommendation: Synchronize the CETA and Vocational Education planning cycle and address an effective linkage/planning process in the respective Federal regulations. Possibly provide an LEA set-aside under CETA which would assure a minimum level of funding for at least a period of two fiscal

years in order to promote long-range planning.

C. Dual Delivery System: CBO vs. LEA

The prime sponsor contracts with both the Office of Vocational Education (OVE) and community based organizations (CBO's) for similar programs to serve the same youth population. In some instances this appears to create a duplication of effort. One detrimental aspect of this is when CBO's and local educational agencies (LEA's) are "competing" to serve the same youth.

Recommendation: Designate specific responsibilities under program design to either the LEA or the CBO. Develop a cooperative system where both entities have a necessary, defined role which contributes to the services provided for in-school youth.

D. The CETA Audit: Cycle and Method

CETA audits are a major concern to Local Education Agencies who operate CETA programs under a grant award from the Office of Vocational Education. One problem is that often an audit occurs two to three years after a specific program year. Often, there have been numerous staff changes and revisions in Federal Regulations that prohibit the LEA's from effectively responding to questioned costs. A second problem is that many independent audit firms who are engaged by the prime sponsor are unfamiliar with the CETA programs that are being audited. LEA's complain that the rules appear to have changed from the time of program operation to the time of the audit. Again, one possible cause of this is the matter of interpretation of the Federal Regulations. Unnecessary questioned costs which LEA's are required to pay back three years later are a major disincentive to CETA-Vocational Education linkages.

Recommendation: Establish an audit cycle which provides for CETA audits to occur immediately following a specific program year. Eliminate unnecessary "catches" in the Federal Regulations that may result from a difficulty to adequately interpret specific requirements. Assure that CETA auditors have an adequate understanding of the nature of the programs they are auditing and the agencies being audited.

E. Academic Credit for CETA Participation

Section 680.120 of the current CETA Federal Regulations require prime sponsors to encourage education agencies to award academic credit to CETA participants. This is often difficult because of the conflicting requirements between CETA and Vocational Education. Another problem is a competitive atmosphere established between programs offered under CETA and school-based classes and activities which both offer credit.

Recommendation: Develop a set of standards or guidelines which apply to the

award of academic credit under CETA-LEA arrangements. Ensure that these guidelines are addressed in both sets of Federal Regulations. Develop creative programming that links CETA activities with already existing courses of study so that the award of academic credit does not adversely affect either program's goals.

VIII. Conclusion

As previously stated, I feel the decisions before this committee and the Congress in this matter are crucial in relation to the future effectiveness of occupational education in this country.

I would like to offer two options for your consideration:

A. Utilize the existing occupational training delivery system in the public school system to serve school age students and out-of-school youth. Provide Federal funding to adequately support these training programs and services. Provide the states with the maximum degree of flexibility in order to most effectively meet their unique needs. Discontinue the designation of special target population groups (i.e. disadvantaged) but rather focus on serving all students based on individual needs, thereby removing the attached stigma. Provide provisions for community based organizations to assist local educational agencies in the recruitment of students in need of service and in the placement of program completers.

B. Maintain the current systems of vocational education and CETA programs, under their respective Federal laws. However, reduce significantly unnecessary restrictions, synchronize planning cycles, provide for common Federal rules and regulations wherever possible and feasible, and provide increased emphasis and mechanisms for improving linkages at the state and local levels.

We have an excellent manpower delivery system in place in South Carolina, but we need additional financial resources to provide the kinds of results needed to continue to improve the quality of the lives of our students.

Regardless of the option you select, coordination will be essential for the professionals involved in the administration of the training programs. This type of professional commitment exists in South Carolina among all agencies involved in the manpower delivery system. In addition to federal financial support, we need more flexibility in any federal legislation in order to meet the individual needs of students and business and industry.

Thank you for your patience and attention.

Senator QUAYLE. Thank you very much.

Mr. Whitney.

Mr. WHITNEY. Mr. Chairman, members of the subcommittee, on behalf of Gov. Richard W. Riley and members of the South Carolina consortium, I would like to thank you for the opportunity to participate along with other colleagues from the State in these hearings and to share with you the South Carolina story.

I am Bill Whitney, director of the CETA division in the Governor's office which serves as the administrative arm for the South Carolina consortium; the largest CETA consortium in the country. My remarks will focus on the role of the Governor's office in the area of employment and related coordination, and in particular I will highlight the utilization of Federal employment and training resources in the State of South Carolina.

Industrial development and the expansion and development of the State's labor force have been the organizing principles in South Carolina policy for more than 20 years. The Governor of the State, in particular beginning with your distinguished colleague, Senator Hollings, has always played an important role in promoting and coordinating employment related initiatives. Governor Riley continues in this tradition and has given strong leadership in the area of employment as related to balanced growth policies. The cornerstones of South Carolina employment policy initiatives are and have been: First, aggressive development efforts; second, substantial human resources investment in terms of education and training, and third, teamwork. The Governor's office, along with the support of the legislature, has been used to effectively coordinate and focus resources and efforts in South Carolina in this regard.

Federal employment and training resources coming into the State have nearly always been utilized in a coordinated and supplemental manner to support State employment policies. As early as 1962, Manpower Development Training Act (MDTA) funds were effectively utilized to enhance the initial startup of the State's now well recognized technical education system. South Carolina was one of the first, if not the first, State to have a State-administered MDTA grant.

In the early 1970's the Governor's office became more involved in the coordination of Federal employment and training funds through State-administered cooperative area manpower planning system (CAMPS) and Emergency Employment Act (EEA) grants. Decategorization and decentralization were clear trends by that time.

The pivotal turning point, relative to the coordination of Federal employment and training resources, occurred in 1973. South Carolina applied for and was the first State to receive one of the nine demonstration comprehensive manpower program (CMP) grants. These grants were used to field test the then evolving CETA legislation. The Governor's office used this demonstration grant as a mechanism to bring together into a shared and cooperative delivery system all existing providers of federally funded manpower activities in the State including the employment service, the technical education system and community-based agencies.

These organizations, with some additions, have and continue to provide a stable yet flexible framework through which targeted em-

ployment initiatives are implemented throughout the State. Both State and local public agencies, as well as a wide range of community-based organizations are included in this framework.

The initial year under the CMP demonstration was used to establish a multijurisdictional relationship—consortium agreement—with elected officials representing the then soon-to-become CETA eligible counties and city in the State. The dynamics of the flexible consortium partnership that evolved hinged on two fundamental principles: First, provisions for strong local determination and implementation prerogatives, and second, provisions for strong State facilitation and coordination prerogatives. The relationship also guaranteed funding to each member equal to that which it would receive as an independent prime sponsor according to the national allocation process.

Under this type agreement, with some variations, the South Carolina CETA consortium has existed since 1974. The original consortium which consisted of 7 members, now is made up of 12 partners. South Carolina represents one of the 12 largest prime sponsorships in the country. While there have been numerous dynamic tensions within this arrangement over the years, the consortium is proud that the partnership has survived and believe that a more effective utilization of resources has been realized by all parties because of this partnership.

It is also significant to note that the role of the Governor's office has always been only administrative in nature. All programs have been and continue to be operated through contractual arrangements.

With this brief historical backdrop, I would like to highlight some of the potential benefits of this type of relationship, to briefly indicate to you how we might respond to some versions of a block grant approach, and to suggest several directions for your consideration, particularly as they pertain to CETA reauthorization deliberations.

The consortium arrangement has inherent checks and balances that effectively limits the potential misuse of political influence at the State level, or the local level. The present arrangement would designate the Governor's office as the administrative arm of the consortium, to provide an administrative role that is organizationally independent from all program operations.

Mr. Chairman and members of the subcommittee, I thank you for having the opportunity to share with you the South Carolina story.

I will be happy to answer any questions.

[Additional material supplied by Mr. Whitney follows:]

A. BENEFITS OF A CONSORTIUM

1. Advantages for Political Units - Under the Consortium arrangement, political units are able to exercise a significant amount of control over the expenditure of funds and design or programs, with relatively little expansion of traditional local government staff.

Local government need not set up elaborate staff to have the employment and training funds spent in their areas. The Consortium will take what ever role the local unit desires, ranging from the complete operation of the local program to a sub-grant arrangement where the local unit has responsibility for the entire program operation.

The two largest counties in South Carolina are sub grantees. Each has a CETA administrator and a planning staff which is responsible for the development and implementation of program activities.

Eight other large counties and the City of Columbia are members of the consortium. They range in the degree of responsibility assumed, depending on the local governments desired level of involvement.

This allows the local units to engage in the degree of participation which is most appropriate in their political situation and still provide high quality services.

Programs for the balance of the counties in the state are administered entirely by the Governor's Office.

Further, flexibility is available each year as the consortium agreement is renegotiated, and the degree of participation may be increased or decreased, to reflect local situations and changes.

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2. Flexibility to respond to needs of different labor markets. Through the individualized design of contractual agreements and linkages at the local level, special delivery systems can be put in place to suit the needs of different labor markets. The state is divided into ten areas for purposes of planning and contracting. Consortium members work with CETA Division staff in designing the delivery systems for their jurisdictions and surrounding balance-of-state counties. Because labor markets usually cross traditional political boundaries, they can be more adequately serbed by a Consortium than by independent prime sponsors.

3. The Consortium arrangement has inherent checks and balances that effectively limit the potential misuse of political influence at the State or local level.

Consortium oversees the distribution of funds among jurisdictions. The general policy has been to allocate grant funds within state according to some formulas used nationally any deviations from this policy are discussed with and approved by Consortium members. Amounts set aside for prime sponsor administration and statewide contracts are also agreed upon by Consortium members. The percentage of administrative funds going to the consortium members is based on their degree of involvement in the planning and programming processes.

The CETA Division oversees use of funds in all local areas through review of subgrant performance in Charleston and Greenville and through contract development and monitoring in other areas. State agency use of funds is reviewed by all consortium members. Of course, the actions of the CETA Division itself are constantly under the scruting of the Governor, the consortium representatives, and the SETC members. Changes in the terms of the consortium agreement are possible only with the concurrence of all members.

4. Consolidation of selected administrative activities--The Consortium makes is possible to meet the administrative requirements in the regulations with a minimum expenditure and with maximum effectiveness by eliminating the duplication of similar functions in a number of locations.

The Consortium uses a single computer system for participant records and financial management and provides centralized staff for auditing contractor expenditures, independent monitoring, property management, affirmative action and EEO functions, and program evaluation. When viewed statewide, the Consortium has a relatively small top policy staff.

The cost savings of a central participant and financial records system are very significant, and there are several management and program advantages as well. Program and financial data are immediately available on a state of local level to state and federal officials and to program operators. All reporting to the federal government is done by the Consortiums administrative arm. The program operators themselves are relieved of a significant amount of paperwork and are therefore able to concentrate their efforts on program performance and effectiveness. At the same time, the existence of one prime sponsor reduces the federal resource commitment to the state.

5. Single Contractual Arrangements With State Agencies and Other Service Deliverers - The Consortium's use of single contracts with state agencies represents a tremendous efficiency in terms of control and administration. The Employment Service, for example translates its single contract with the Consortium into areas of responsibility for its local offices, who in turn coordinate with the local offices of other state agencies and community based organizations. This serves to effect consortium-state agency coordination at both the state and local levels.

In a multi-prime sponsor state, each sponsor must negotiate individual contracts with state agencies. This increases the complexity of administrative management for the agencies, and increases the total proportion of staff time in the state at the prime sponsor level devoted to contract administration.

In a statewide contract, it is possible to include flexibility for regional differences without increasing the administrative load and, a statewide contract costs less to administer, at all levels, than a series of local contracts.

Contracts with the Consortium tends to stabilize relations between the state and other agencies by keeping channels of communication open and keeping duplication of effort at a minimum.

The contractual agreements tend to pool the resources of the Consortium and the state agencies, by specifying the mechanics of the coordination, encouraging linkages and eliminating deplication of effort.

6. Efficiency in securing training and services.
The consortium is in an ideal position to solicit training and services from public and private vendors which can be tailored to meet special needs in various parts of the state.

Through formal Request for Proposal procedures it is possible for the consortium to select the most effective and cost efficient providers.

A single bidding process is in itself more cost efficient than a series of sponsors bidding similiar services in each of their areas.

Each of the consortium members are given the opportunity to participate in the development of requests for proposals. In this way, special criteria can be included to provide exactly what is desired in any or each of the consortium member's jurisdictions.

Selection of vendors can be done through standard processes administered by the consortium staff with local input.

7 . Evaluation and Assessment

The CETA Division, as the administrative arm of the Consortium, is organizationally independent from all program operations.

This provides the objectivity necessary to plan, develop policy, procure services, facilitate linkages and coordination and evaluate programs, outside the pressures created by uncertain funding levels for programs.

The ability to evaluate programs on a state-wide basis, comparing performance in different labor markets and among different target groups is very valuable in making policy decisions which will impact on program activities across the state.

B. BLOCK GRANT APPROACH

Our response to some type of "block grant" approach would generally be characterized by the following, conditioned by the nature of the "block grant:"

1. The State-local partnership would continue largely along the same lines regardless of any new authority the State might inherit under block type legislation.

2. There already exists within the State a process of federal funding provisions whereby the Governor and the Legislature, jointly, have review, input and approval authority relative to all such funds.

3. We would support and would expect clear federal guidelines regarding the purpose and basic goals intended by the Congress in making such funds available, definitions of the populations intended to be served with the funds, specifications regarding the general allocation of such funds within the State, and appropriate provisions for federal monitoring and evaluation to assure accountability and effective utilization of resources.

4. We would expect the Governor and State Employment and Training Council to be given the responsibility and flexibility to design the delivery system and select the most appropriate service providers for the State.

C. LEGISLATION RECOMMENDATIONS

And finally, we would suggest several directions for your consideration, with regard to employment and training legislation:

1. If there is to be legislation directed at a fundamental and comprehensive reformulation of national employment and training policy, such legislation should: (a) provide a clear statement of national goals and expectations toward which existing systems are expected to move, and (b) provide a transition period of one to three years to allow existing systems to be redirected toward national goals and expectations.

2. If some form of expanded State responsibility is enacted as a means of reducing federal administration requirements, a one-year transition period would seem advisable to allow for the development of State and local relationships on a more systematic basis.

3. Titles II-B/C, IV, and VII should be consolidated in one grant. The targeting of service levels to youth should be done at the prime sponsor level.

4. The allocation formulas should give more weight to factors which measure CETA's eligible population such as the number of adults in poverty, the number of low income youth, and the number of discouraged workers. The unemployment figures which account for over half of the Title-IIB/C and VII allocations and three-fourths of the Title IV-YETP allocation, exclude most of our eligible population because they are not in the labor force.

5. The national programs should be limited to funding research and demonstration projects and to administering nationwide projects for target groups that cannot be served

effectively within a single state - refugees, migrants, and Indians. Programs, for seasonal farmworkers, offenders, displaced homemakers, and youth can be designed and delivered most effectively by prime sponsors.

6. Legislation should provide for a single prime sponsor advisory council which would combine the responsibilities of the State Planning Council, the State Employment and Training Council, and the Private Industry Council.

Senator QUAYLE. Thank you, Mr. Whitney.

Mr. Dudley.

Mr. DUDLEY. Thank you, Mr. Chairman.

It is with a great deal of pleasure that I testify today about the thoughts on South Carolina's technical system. It is a program that is some 20 years old this year.

Back in 1961, the bottom line for this program was this: to create jobs for South Carolinians who train South Carolinians for those jobs, thereby raising the tax base. It has been a very successful story, Senator, and in a State of some 3 million people, approximately 160,000 people are touched by the system each year.

Also, in 1961, one-quarter of a million dollars was appropriated for the budget. This year, 1981, we see a State budget and local budgets of $104 million. We were very pleased.

Your colleague, Senator Ernest Hollings, from South Carolina, and also John West, the past-Governor of South Carolina, as well as Bob Nackier, were instrumental in the inception of this program.

I will leave further definitions on this program to my colleague, Bob Leak.

I would like to address basically this point. Some of the concerns that we felt in 1978 and 1979, since our program is very closely allied with the economic development of South Carolina, we started getting very concerned about the productivity of South Carolina, as well as in the Nation.

No. 2, the competition from the other Southeastern States, as well as the Southwestern States. No. 3, the newer type of worker that we found that industries were crying for.

On the one hand, it was a paradox, because they said they wanted a worker with the better three R's. Also, they wanted a more skilled technician, one that could handle the maintenance of their sophisticated equipment.

No. 4, we found the sophisticated equipment on the scene. We heard terms, such as CNC, we also heard the term computer age design. We also are concerned with such things, when a prospect came into town about 1 year ago, this particular company wanted us to commit to train trainers for a technology that had not even been designed as yet.

Further on down the line we found that we were in the midst of a second industrial revolution that was going to have a greater impact on civilization than the first industrial revolution did.

Also, the shifting types of jobs. One of our own statistics from the Department of Labor, states that by the year 2000, that 1 person out of 10 will be producing the goods for the other 9. The other 9 will be in some type of service-connected industry. We became very concerned. Out of this concern came the design for the 1980's project.

We looked at such things, to make sure that we had relevant curriculum. We also looked at the continuing education situation, as already addressed by Senator Pressler this morning. The upgrading, the continually changing of people on jobs had to be addressed.

We also looked at the cooperative ventures. Newer methods of more successful cooperative knowledge. We also looked at out special schools program, which is primarily the meat and potatoes of our economic development aspect, and then lastly, to make sure that we are on the cutting edge, innovative technical training, and what did we do?

Like any good organization, we formed committees to look into the subject of what we need to do, and to improve. No. 2, we had visits to 20 different corporations, R. & D., research and development of those industries. We went to MIT, Ohio State, we looked at our internal universities in South Carolina. We also had listening sessions, where we invited in the industrialists from the area, to employers from the area, to make sure that technical education was on target.

Also we had surveys of special schools, to make sure that they were successful. The new industries, as well as expanding plants. We found one thing that was highly significant.

No. 1, the faculty had to be on the cutting edge. Any type of technology, if we are going to transfer that technology to our students, and No. 2, they had to have access to sophisticated equipment that we mentioned a moment ago.

Out of this complex came resource centers. Initially we wanted to have one resource center, under one roof. As time went on, because of the bricks and mortar drawback, as far as the State government, as far as drying up the Federal sources, we looked imminently. We put six resource centers in six of our technical colleges in South Carolina.

We chose these topics. No. 1, robotics. No. 2, offices of the future; No. 3, computer sciences; No. 4, microelectronics; and No. 5, advanced machine tool resource centers. Of that, we will have three mobile units that will cover the State with the advanced too technology.

The reasoning here is that we were going to make these resource centers our expertise in these areas. The fact that they would be on the cutting edge, and they in turn would transfer their knowledge to the 15 academial colleges. We also looked at such things as program evaluation. We wanted to find out the programs that were antiquated and not doing the job.

We also looked at such things as innovative approaches. We had a program called Rainbow Scholars, at Rainbow Tech, whereby we

worked hand-in-glove with the local industries there on a type of cooperative program, different from your traditional programs, from the standpoint where a student might go in a semester at an industry and then go to the semester in a business, or—excuse me, college, and/or academic situation, flip-flop back and forth.

We went on a shifting back and forth basis. Half a day in the college, and half a day in the industry itself. We looked at the different funding sources, because we knew of tightening State resources we are going to have to go outside. We looked at foundations from the private industry and business segment.

We also looked at the open door policy we had in that State. We also looked at the 1 year diploma program, a way that we could weed out some of the academic aspects, so the individual could go into the job market quicker. We also looked at other areas that we might get into, in the resource centers, that would come up in the future.

Out of this, we feel we have a very successful evaluation of the current programs, but also we feel that we have something that we can handle in the eighties and nineties. As far as the articulation, as Doctor Oswald has already mentioned, we have a closer relationship with the vocational education department.

As a matter of fact, Charlie Williams, the State superintendent of education, sits on my board, as well as Bob Leak, the executive director; we also have good articulation going on between the vocational career centers in the State and the 16 colleges.

As Mr. Whitney mentioned a minute ago, we have an extremely close relationship with the CETA programs in the State, and the Governor's office, as was mentioned, as prime sponsor. We are the prime subcontractor for classroom training, also, a very close relationship with the 4-year engineering colleges in that State.

We feel, Senator Quayle, that South Carolina's technical system has a close relationship with the other agencies in the State, and also we feel that the CETA program has meant a great deal to South Carolina, because it has been an extremely instrumental part of the South Carolina Technical Education System.

[The prepared statement of Mr. Dudley follows:]

TESTIMONY PAPER
U. S. SENATE SUBCOMMITTEE HEARING
G. WILLIAM DUDLEY, JR., EXECUTIVE DIRECTOR
S. C. STATE BOARD FOR TECHNICAL &
COMPREHENSIVE EDUCATION

NOVEMBER 24, 1981

What started twenty years ago in South Carolina as a dream of several men has evolved into one of the most progressive systems of technical training in the United States. An agrarian economy, out-migration of young people and lack of industry challenged South Carolina leaders in the early 1960's.

Using the state's most valuable resource, its people, a committee led by Governor Ernest F. Hollings, established specific recommendations concerning industrial training. The two recommendations were to establish a crash program to provide immediate training for new and established industries; a technical training program to train high school graduates for initial employment as technicians in industry and to offer trade extension courses for the unemployed and to those already employed who wanted to improve their skills.

To implement the program it envisioned, the committee recommended that the Governor, with the advice and consent of the Senate, appoint eight persons to serve as "The Advisory Committee for Technical Training." This Advisory Committee would be authorized to recommend the employment of personnel, adequate salaries and reasonable standards for facilities to qualify under the program.

One of the Advisory Committee's first actions was to appoint A. Wade Martin as coordinator of technical and industrial training. Martin, former administrator of industrial and technical education for the North Carolina Department of Public Instruction, moved immediately to implement the crash program recommended by the West Committee and mandated by the authorizing legislation. Working in consultation with the State Development Board, Martin and the Advisory Committee planned a program with a high degree of responsiveness to the needs of industry,

flexibility and ability to act on short notice and supported by a centralized equipment depot.

The first part of the program became known as special schools. Once the special schools programs were underway the committee began plans to provide a companion program. The main goal of Martin and the Advisory Committee in planning the system was simple: to make a suitable training program available to any adult South Carolinian who wanted to obtain a saleable skill. The programs offered by the technical education centers would necessarily have to be designed to meet a variety of educational needs. By insisting on excellence and a sensible approach in meeting the most urgent needs of the present, the designers of the South Carolina Technical Educational System were also laying the groundwork for the solution of future problems.

The special schools program, while an integral part of the TEC plan to make South Carolina competitive with other states in attracting more and different kinds of industries, was never intended to provide training for the large numbers of technicians required as replacements or additional employees as industry continued to expand, or for the employees required in the rapidly growing service fields. This was the responsibility of the system of technical education centers.

In twenty years of operation, TEC special schools have trained 70,994 people for 612 new and expanding industries.

Thirteen technical education centers have evolved into 16 technical colleges with more than twenty locations and over three million square feet. The colleges are located within thirty miles of ninety percent of the population of South Carolina. Over one hundred fifty degree and diploma programs are offered through the colleges as well as continuing education courses for upgrading and updating skills.

For fiscal year 1980-81 the head count enrollment for the TEC System was 57,144 which includes degree and diploma programs. Continuing education head

count enrollment was 94,847. Total enrollment for the system was 166,553.

Although the world was experiencing an electronic revolution, the nation loomed on the brink of a grave technician shortage. Concurrently, the United States, with the lowest productivity growth of any modern industrial nation, was fighting competition from Japan and West Germany, where investments in research and development were high. At the end of the 1970's, the U. S. Department of Commerce reported that high technology firms--such as those using robots and computer-controlled equipment resulting from such research and development--create jobs 88 percent faster than do other types of firms.

The problem in South Carolina, as in other states, was that these new jobs created during America's struggle to boost productivity required incredibly sophisticated skills. The old shade tree mechanic image, a pre-World War II hangover, was not the right image for attracting bright, talented young people into such fields as industrial maintenance, electronics engineering technology, and engineering graphics. Even traditional fields such as machine tool technology were on the verge of adopting sophisticated voice controlled and CNC machines to increase productivity.

The problem facing the South Carolina Technical Education System, indeed the problem facing every technical college in the nation, had many facets. How could graduates of all technical programs be guaranteed current skills when high technology was evolving so rapidly? The heart of the solution as we saw it was in having the college presidents, administrators, faculty and staff maintain closer touch with industrial leaders, their techn[illegible]s, and many creative minds in national research and development.

By 1978,TEC officials were brainstorming about this in presidents' meetings and staff conferences, seeking direction and advice from board members and contacting every other technical college system in the nation to generate ideas.

We called our concept to incorporate high technology training into technical programs "Design for the Eighties," and we were determined to make it appealing to prospective industrialists representing hign technology firms.

If "Design for the Eighties" was going to be the substantive, continuous, skill-shaping program envisioned, specific advice would be needed from hundreds of industrialists hiring our technical college graduates. By early 1979, TEC had conducted 14 listening sessions on technical college campuses throughout the state. Prominent industrialists, business leaders and other concerned citizens were invited to tell about their employment needs for the future, changing technology in their businesses, and how they perceived TEC's role in helping them adjust to this second industrial revolution. TEC had turned to industry for advice, and they met our ears with loud, specific voices.

Richard Berry, plant manager of Starflo Corporation in Orangeburg, S. C., said, "The age of numerically controlled equipment and robots is not futuristic. It is with us in South Carolina now. Technical education is the link between government and industry. If technical colleges don't meet our training needs, who will?"

Ralph McAdams of General Electric in Florence, S. C., said, "Our employees need to know more and more about electronics, chemical processing, math and computer science. We still need the basic skills TEC is providing, but we also need more continuing education courses for employees as this technology changes."

We found first and foremost that high technology was not an urban phenomenon. Its effects were riveting every rural corner of the state, changing career options for thousands of South Carolinians. We knew that a sincere response to this change would mean eliminating programs, holding crash training seminars for faculty, building stronger cooperative education programs, investing a large fortune

in new equipment, and rethinking our approaches to everything from legislative communications to program design.

South Carolina's research for "Design for the Eighties" began in South Carolina but it did not end here. After consulting with local leaders, we pinpointed four major areas for development, then sent representatives nationwide to research how other states were responding to change. We researched concerns and options in continuing education, cooperative education, innovative technical training and special schools industrial start-up training.

The Innovative Technical Training Subcommittee relied heavily upon visits made to 16 major corporations and four universities. Participants included technical college presidents, deans, state office, Development Board and Governor's staff.

This group significantly improved the quality of technical education in South Carolina by finding nationally, regionally and locally prominent advisors for high technology programs, by generating equipment donations and by giving us a greater team spirit throughout the TEC System as we adapt to inevitable change.

This team concept and enthusiasm have manifest itself in a statewide system of six resource centers, each specializing in one aspect of high technology.

Centers are being equipped in advanced machine tool technology, robotics, computer applications, micro-electronics, the office of the future and environmental quality training. Statewide faculty and staff development workshops and a fleet of mobile training units facilitate use by all 16 technical colleges.

Jack Powers, director of the "Design for the Eighties" program, schedules national specialists to conduct workshops as new technology emerges. "Getting a program like this in place would certainly be difficult for an individual college," Powers said, "but because we're working as a system, we can make a greater impression upon industry and a greater impact upon our state and region."

Powers has worked closely with engineers, managers and technicians from firms such as Texas Instruments, NCR, Westinghouse and General Electric.

A team spirit has also manifest itself in a statewide marketing study as a major step toward pinpointing a direction for recruiting students and in a statewide program evaluation plan. Ripples from "Design for the Eighties" are touching many aspects of education in this state.

Inquiries from industry and education are making us a focus for international attention. We have heard from a diverse group, including Digital Equipment Corporation, United Airlines, Reynolds Aluminum, Massachusetts Institute of Technology and Purdue University.

In South Carolina TEC's success and the success of our economic development are due to the cooperative relationship between TEC and other state agencies.

Private sector involvement is a tradition in South Carolina. The requirement for using business and industry advisory committees to deliver skill training under Title VII of CETA provides expertise necessary for current training.

With a delivery system of technical colleges, equipment and faculty resources available, skill training can be offered to many South Carolina citizens. It is important for the federal government to encourage programs that foster relations between the private and public sector.

Working to provide young people a career base, technical education and the vocational education system in South Carolina have improved cooperation. Through statewide advisory councils, articulation agreements have been established between technical education colleges and vocational centers. Efficiency in the instructional process as well as the advancement of technology make articulation an important part of the education of young people.

Articulation is done on the local level between the technical colleges and area vocational centers. Statewide efforts will continue to provide input to the process for the most efficient system of education possible.

By providing support to vocational centers through articulation, working with the private and public sector to train unskilled people through CETA and cooperation with the State Development Board, TEC insures qualified training and a strong economic base for South Carolina.

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Senator QUAYLE. Thank you very much.

Mr. Leak.

Mr. LEAK. Senator Quayle, ladies and gentlemen, my name is Robert E. Leak. I am the director of the South Carolina State Development Board. The development board is an agency of State Government in South Carolina. We are charged with the responsibility of conducting a statewide economic development program. Our major objective is to encourage investments in the private sector of the State's economy in order to; (1) create a sufficient number of new jobs annually to maintain employment levels, (2) raise the standard of living and improve the general welfare of all the people of the State.

Our agency was created after World War II to assist the State in the transition from a wartime economy to a peacetime economy. The need for such an organization was evidenced by the fact that during the first half of the 20th century, South Carolina experienced a consistent pattern of substantial out-migration. This out-migration of population can be attributed primarily to the fact that sufficient jobs were not available to support the labor force, although significant growth of the textile industry occurred during this period, this growth was not adequate to offset the dramatic decline in agricultural employment.

In 1940 over 39 percent of our productive employment was in agriculture, by 1960 it had dropped to less than 12 percent. Agriculture now employs less than 3 percent of South Carolina's work force.

Faced with the problem of high unemployment, out-migration, and a displaced agricultural work force, Senator Fritz Hollings, then Governor of South Carolina, began a successful campaign to establish a viable industrial development program. In the late fifties, the State development board was reorganized into an effective promotional agency geared to attract manufacturing plants. Almost simultaneously a sister agency was established to train workers in skills that would be required by these new industries.

Inaugurated in 1961, this program of worker training, in conjunction with an aggressive development program and prodevelopment leadership, has had a major influence on the success of South Carolina's development efforts. The collective impact of these factors has helped the State build a reputation as having one of the best business climates in the Nation, and an attractive place to invest.

The effectiveness of the State's development efforts is illustrated by the fact that by the end of the sixties, the pattern of out-migration reversed and the State's rate of unemployment was below the national average.

I might add, continues to be below the national average today.

The worker training program was established as a technical education system with emphasis on basic skills required by business and industry. The program has two major emphases, one concentrates on general skills that include language, math, and other general studies, while the other instructs the specific skills required to perform a given task for a new or expanding industry. Although both functions are important, it is the latter, that has been the most directly involved in South Carolina's industrial development

program. This program, which we call "Special Schools" has, as its sole purpose, the training of workers for the specific jobs required to run the various aspects of an industrial plant.

This training is conducted at little or no cost to the industry. Included in the services provided are recruiting, screening, and training to standards set by the industry. This training is conducted prior to employment, thus enabling a firm to start operations with a work force pretrained in the special skills required for the plant. This reduces startup costs significantly.

Since the State does not have to be as concerned about fitting a plant into the existing skills of a community's work force, it can be more selective in its industrial recruiting program.

Prior to training, no commitment is made by the industry to hire those trained; nor is there a commitment on the part of the trainee to accept the job. Since many who enroll in these programs are already employed and train in off-hours, this gives them an opportunity to upgrade their skills without jeopardizing their present positions. This allows them to be more certain of their interest and that of the new, potential employer.

I would like to categorize this volunteer effort on the part of all of these students as being in the spirit of volunteerism that is coming back today.

This concept of preemployment training also reduces labor turnover because workers are selected based on their proven ability and interests. This results in less disappointment for the worker and the industry.

These "Special Schools" are set up at remote locations. They are usually in or near a plant site. This helps to insure that those in the local labor force have a better than equal opportunity to participate.

The "Special Schools" program of the technical education system is supported entirely by State funds. Funding is based on the demand for "Special Schools," these schools operate independently of the "on-campus" technical education programs. Subjects taught on campuses can lead to certificates or associate degrees in engineering, business, health care, carpentry, masonry, and other similar fields of study. Most are 1- and 2-year programs. Special Schools on the other hand are generally much shorter in duration and concentrate on job related skills. In many respects the technical education centers or campuses act as community colleges. As the service and nonmanufacturing sectors of the State's economy matures, these campuses are growing in importance as training centers for skills required by these service industries.

Other aspects of worker training such as those provided by vocational education within the general education environment, and training of the State's disadvantaged through CETA, play a significant role in the State's development program.

You have heard from these people this morning, so I will not elaborate on them, to say that in our judgment they are getting better prepared people into the specific training, for specific industry jobs.

Just as important as the system itself is the attitude with which it is administered. Although attempts have been made to copy South Carolina's vocational and technical training programs, few,

if any, have been able to duplicate the attitude of those who administer and fund it. South Carolina's worker training program is a cooperative effort of many interests. All those concerned and involved approach training in South Carolina with the single, simplistic purpose of providing workers with skills needed.

It is our conclusion, when you have a resource development program in your State that works, and is attested to by the users of that system, it becomes the most important inducement that your State has in the attraction of additional skilled job opportunities for your citizens.

Thank you very much for this opportunity to appear before the committee.

Senator QUAYLE. Thank you very much.

I would like to ask the first question, which I have asked to the other witnesses, and that is, for any comment upon the consolidation at the Federal level of vocational education and training programs.

Do you think this is a move in the right direction, and if so, why? And if not, why not?

Dr. OSWALD. You are asking me?

Senator QUAYLE. I will start with Dr. Oswald, and anybody else who wants to comment.

Dr. OSWALD. I think before we do this, before we move too fast—and I am sure there are many, many things that I do not know in your thinking, how it would operate—but I think we have to understand that any time we deal with the public education system, we need the support of local superintendents, and local boards of trustees, for school-age youth, and maybe even out-of-school-age youth.

I think if you leave the discretion to the States, or to the local districts, then it may work, but I think we cannot ignore the basics that are needed in conjunction with vocational training. I am afraid that sometimes some people may think that vocational education is only for the disadvantaged or handicapped, maybe a dumping grounds for discipline problems. That is not the case.

When we look at the technology that we are dealing with today and in the future, the individual that is successful in a vocational program must also be successful in the basics, so I think we must work with the total individual, and certainly the responsibility for education is at the local level in South Carolina, with technical assistance and support and leadership from the State level.

Senator QUAYLE. Do you have any problem in the consolidation of vocational education and training?

Dr. OSWALD. It would depend on who had the primary responsibility. I think this has been one of the problems that we have been faced with in South Carolina. We have had really a dual delivery system, inasmuch as we have had some CETA funds to deliver to voc-ed, from the State level to the local districts, and also community based organizations that had some CETA money, and many times they were in competition with each other, as to the students that they would be serving, and there was a great deal of fragmentation.

No, I do not have any real problems with defining the two, as long as—provided legislation insures that the individual is going to

remain in the mainstream of educational systems until he receives—he or she receives the basics, you know, basic academic requirements, and move on into maybe postsecondary education.

Senator QUAYLE. So you do see a lot of compatibility between the two systems?

Dr. OSWALD. I do see compatibility. I do not see setting up another delivery system in place for vocational training.

Senator QUAYLE. Mr. Whitney?

Mr. WHITNEY. Senator, I think South Carolina is relatively unique, in that we have been able to hold together 11 prime sponsors, by the way we relate to them, and of course, this means 11 political subdivisions in South Carolina.

South Carolina, I think, enjoys relatively simple systems, and I think that has contributed to our growth in South Carolina. I think it is an interesting question, to combine CETA into vocational education, at the same time, in South Carolina, where we have vocational ed, and also we have a very sophisticated technical education system that has 16 colleges spread around South Carolina that address technical training.

I would like to suggest that if the money is blocked to the States, that the Governor or the legislature should make the determination of who should receive the funds, and what system is best for that particular State.

South Carolina, I am quite sure, is very different from South Dakota, because of location, because of the systems that have been carefully established over the past 20 years.

I would also like to introduce my associate director, to my extreme right, Charles Middlebrooks, and I also brought along one of my eligible primes, Barbara Richardson, which holds one of the larger subgrantees in South Carolina.

Senator QUAYLE. The subcommittee welcomes both of them.

Mr. Dudley, do you have any comments?

Mr. DUDLEY. I have just two.

I think, No. 1, you would probably get a good debate going here between our academician, when you want to mix education and training.

But, No. 2, I think it has made the PIC program productive, and a lot of fun, that is, we wear two hats. We are an educational entity, however. Half of our job is economic development. Therefore, we deal with the academic world, but also, pardon the expression, we deal "with the real world."

I think whatever you do as far as the training and educational, no matter whether you shift the program from one system to the next, or whatnot, the main thing is that the educators, the industrialists, the business people, the customers of the educational program are in concert. They are working for the same goal.

I know a lot of times we say we do, but I think it is vital, no matter where you put it, that the programs, the curriculum, the courses are relevant to when that individual gets out in the world of work, he or she knows what they are doing, because that is going to be the proof of the pudding.

Senator QUAYLE. Mr. Leak?

Mr. LEAK. I really have no thoughts about how it ought to be structured, but every State has an economic development promo-

tion activity, and if each of our States had the ability to go to an industrial prospect, wherever that prospect may reside, in Germany or Japan, or Canada, or in some other part of his own country, and say to that prospect, if you come to our State we will recruit, test, screen, and train your entire work force for you on a preemployment basis, then that State's economic development program would get a tremendous boost.

So I would urge that whatever is done, that the vocational CETA, technical, training people work closely with the economic development promoters of each State, because it is vitally important to them.

Senator QUAYLE. Dr. Oswald, I think you indicated that the prime sponsor and the Office of Vocational Education, held a number of meetings and planning sessions, for the purpose of pooling resources and designing programs which best serve the disadvantaged.

How does that work, and what resources are you pooling to deal with the disadvantaged youth?

Dr. OSWALD. Well, we primarily serve the disadvantaged youth in the program, maybe "mainstreaming" is the best, if possible. This is what we encourage throughout the State, in all vocational programs, is to mainstream. Of course, with these disadvantaged youth, depending on the individual's needs, they require additional assistance outside of the vocational setting, primarily in the basic three R's, and what we intend to do is to relate their basic academic training to their vocational objective, what they are studying in the vocational area.

In other words, attempt to make them proficient if they are in auto mechanics, then teach them, give them extra assistance in teaching them how to read and understand manuals, how to add and subtract, and communicate in the terminology that a master mechanic would need.

Senator QUAYLE. What role do you see for CETA?

Dr. OSWALD. We have attempted to utilize some of the CETA funds in this area. In fact, working jointly with, several months ago, we attempted to work out a model program to aid in our prevocational programs statewide. However, due to the regulations, the age limit which is in the CETA legislation, we were unable to implement that program.

But I feel like that these funds should be used to provide support services for our disadvantaged youth, in our regular rehabilitation programs, and we have done some of this, but not as much if we had sufficient CETA funds, and, of course, the vocational funds, too.

Mr. MIDDLEBROOKS. Let me address some of the things that we have done across the years.

There are four basic things that we are trying to work on for youth who are in the school system. The skills have to deal with preemployment skills, which are some of the basic attitudinal skills in terms of work; basic skills such as reading, writing, and composition; occupational skills, and then some work maturity skills.

In pooling resources, we thought perhaps we should concentrate the CETA dollars so that those dollars were used for in terms of providing some supplemental assistance in the area of preemploy-

ment skills and also giving the young people a chance to demonstrate work skills, and not duplicate remedial programs, or occupational programs.

We have done things like this in the summer since 1971 or 1972. We have used funds to send the younger students to vocational schools in the summer, instead of putting them to work out in the parks, etc. This way they would get orientation to career choices and hands on exposure. They spend about 6 weeks in this type program in the summer. So there have been numerous efforts like this, to try to figure out what could be funded out of each source, and to try to add the supplemental kinds of things for the people.

Senator QUAYLE. Well, I thank the panel very much. And you certainly have a very impressive program in the State of South Carolina. I wish you good will.

That concludes the hearings for today.

At this point I order printed all statement's of those who could not attend and other pertinent material submitted for the record.

[The material referred to follows:]

November 24, 1981

TESTIMONY

Presented By Richard K. Greenfield, Chancellor, St. Louis Community College District, St. Louis, Missouri

JOINT HEARING - U.S. Senate Subcommittees on Education, Arts and Humanities and on Employment and Productivity

I. Introduction

I appreciate the opportunity to appear before you and to present some remarks with respect to the relationship between vocational education and adult employment training programs, particularly as they impact upon the metropolitan St. Louis area. While I view the problems, challenges and opportunities for service with respect to career education for youth and adults from the perspective of a community college administrator, I am deeply concerned over the broad issue of perpetuating a just, secure, adaptive society and nation.

The St. Louis Community College District is fairly typical of most urban-oriented community colleges or systems, in that it has an open admissions policy, low tuition, a heavy emphasis upon career/vocational training, a majority of students in the older, part-time and female categories. Most of our students are the first generation in their families to attend college, and minority enrollments exceed the minority proportion of the total population.

Through our 3 campuses and dozens of outreach centers, we offer over 70 different career/vocational programs leading to certificates or associate (2-year) degrees for over 30,000 students enrolled in credit courses. Almost half of our matriculated students are enrolled in these programs, and the proportion of part-time enrollees has climbed over the two-thirds mark. The average age of our enrollees exceeds 27, with 67% over 21 years of

age. We have had little difficulty in terms of job placement or upgrading for those who complete career courses or programs, especially in the technical, allied health and service fields.

In terms of the Vocational Education Act, we do receive some support through the State Department of Education -- about $1,400,000 this year, or 3.2% of our $44 million budget. Statewide, all postsecondary institutions in Missouri receive $2.75 million, or @ 20% of the Basic Grant federal funds available to the State. Our obvious role in youth and adult career education and training is also reflected in our joint efforts with funded programs involving CETA and other Labor Department programs.

For example, we are training 60 automatic screw-machine operators per year under a CETA program co-sponsored by the Title VII Private Industry Council. A Department of Labor discretionary grant has enabled us to mount a pilot program to provide career counseling and placement services for unemployed or about-to-be-unemployed workers in the automotive, steel and supplier industries in the bi-state metropolitan area. A Job Corps welder training program is provided for non-residential participants. Other funded involvement includes summer youth programs, short-term career programs and single parent career training. All told, these programs involve less than $..0 million per year in CETA or other non-Vocational Education Act funds.

What I am particularly pleased about is the growing cooperation and linkages which are developing with labor, business, industry and other community organizations as a result of increasing our emphasis upon career education and on other than traditional certificate and degree programs.

Our Community College District, the Regional Commerce and Growth Association, the Private Industry Council, the St. Louis Labor/Management Committee, individual business and labor representatives and labor organizations and other community agencies have all worked productively together within our local and metropolitan community to develop these joint programs, as well as other specialized and customized training programs in such fields as labor studies, an institute for the National Electrical Contractors' Association, paramedic training with hospitals, deregulation training with the transportation industry, etc.

II. The Present Situation

There have been many significant changes in economic, social and labor market conditions over the past 20 years. These changes have led to problems which need to be addressed more effectively than current provisions of the Vocational Education Act or the Comprehensive Employment and Training Act allow. Since these two key Acts are coming up for reauthorization in the next year or few years, it is a good time to reexamine our approach to workforce training and development within the context of regional and national economic development.

A) Vocational Education

The provisions of the Vocational Education Act focus the bulk of federal vocational education dollars on secondary level training programs distributed by state agencies whose primary responsibility is the coordination of elementary and secondary education. Despite these efforts, youth unemployment has been and continues to be an important and critical problem. Part of this problem is economy-related, so when conditions improve, improved employment prospects should also emerge. However, even when economic and labor market conditions were more favorable, high youth unemployment was still a problem. This fact

ought to bring into some question the relative effectiveness of the vocational training and development programs that have been aimed primarily at young people.

Over the past 20 years, there have been significant changes in the national workforce market that effectively deter or bar the 16 to 19 year old from entry into meaningful, adequately paid jobs. A key change has been the reduction in semi-skilled manufacturing jobs. Much of our manufacturing is being assumed by foreign countries or by our own technology which allows us to maintain productivity but with fewer workers. A second basic shift has been in terms of an increase in jobs in the service occupations and in high technology areas.

The fact is that good, high paying jobs are available even in today's economy. Just check the weekend "want-ad" section of any metropolitan newspaper. But the jobs that are available are different from those which were available 20 years ago. The new jobs demand higher levels of basic skills, more sophisticated job skills, competencies and more maturity.

With some exceptions, the demands of today's labor market cannot be met by job preparatory training at the secondary school level. The average high school graduate cannot acquire the necessary increased basic skills as well as the more sophisticated technical competencies needed for job entry today. Most important, the typical high school graduate or drop-out does not possess the maturity to be employed in the expanding service occupations. There is little acceptance of a 17-year-old real estate or insurance agent, or an 18-year-old physical therapist, computer programmer, or engineering technician. And yet, that's where more and more of today's jobs are!

B) CETA

Like the Vocational Educarion Act, CETA has been an earnest and fairly effective program. It has been particularly effective where the focus was on training programs aimed at meeting specific business/industry labor needs. The most successful efforts were in those where business, labor and education worked cooperatively to plan, design and operate the training. A good example is the automatic screw machine operator program in St. Louis, mentioned previously.

This is a highly skilled, specialized training program in which there is a dearth of skilled operators/craftsmen across the nation. The automatic screw machine is the backbone of the American manufacturing system and it is vital to the national defense industry.

Through a cooperative effort of industry, labor, two prime sponsors, the GSA, and the Department of Defense, the College has developed a highly sophisticated 32-week training program. Up to 60 participants a year are trained. With a 96% placement record of program completers, the beginning salary range is from $7 to $9 per hour.

Yet there are some limitations -- even when training programs have positive effects. Because funding comes through local prime sponsors, regional and/or national workforce needs may not be met. Training tends to be for local, narrowly-defined jobs. The training dollar impact could be greatly expanded if local perspectives could be broadened.

I suggest that new legislation should include: (1) provisions to encourage or to mandate more training linkages between business, labor and education, and (2) training to serve broader regional and national needs.

Finally, as Congress looks at the Vocational Education and CETA programs it needs to look not only the needs of youth, but at the growing vocational needs of adults and industry. While there will always be a small cadre of chronically unemployed, and a larger group of people who are cyclically unemployed due to economic conditions, America is developing a new class of the technologically unemployed or displaced. The growing application of high technology to all aspects of business and industry is creating a new national phenomenon -- human resource obsolescence.

Job preparatory training is no longer a once or twice in-a-lifetime activity. It is a reoccurring process continuing over the full productive life of the employee. Any new national workforce development policy must address this phenomenon and any new legislation must recognize this changing marketplace condition. If we are to effectively make youth employable, it must be done increasingly at the post-secondary level. This is not to say that there isn't a vital role for the secondary school in the broad spectrum of workforce training and development. However, there should be a reordering of the responsibilities for job preparatory training with a significant shift in the allocation of federal dollars. The distribution of job training dollars at both the national and state levels should also be assigned to an agency with greater linkages to the emerging training agents, i.e., business, labor and post-secondary education.

III. Summary and Recommendations

A. As Congress considers new legislation that encompasses aspects of both the Vocational Education Act of 1963 and CETA, it should be looking at the need for a multi-faceted solution that goes all the way from providing "world of work" concepts to elementary school children to life-long occupational retraining and

upgrading for adults. Regardless of the legislative shape of the final policy, it is imperative that the total program be inter-related and integrated so that the various components complement and strengthen each other.

B. The primary objective of any new national workforce program should be to support national and regional economic recovery and development. American industries, businesses and services must be stimulated and improved by increasing their productivity and efficiency, and new ones must be established to keep pace with technological developments, consumer demands, and national security. Although the attraction of new industry and business receives the greatest public attention, any new workforce policy must also recognize the overwhelming need to expand and to improve present business employers and their employees.

C. In addition to traditional capital investment incentives, the keystone of any successful economic development program is the availability of knowledgeable, skilled, energetic and ambitious workers. To support this objective, I suggest that two separate but-companion pieces of legislation be enacted.

D. The first bill would be for people enrolled in elementary and secondary schools. The types of programs supported in this bill should be more responsive to current social, economic and labor market conditions and should serve as a foundation in preparing all of America's youth for entry into the world of work. Emphasis in this bill would be on programs which provide:

1. Orientation to the world of work and work ethics.
2. Career information, exploration and planning.
3. Basic skills development in reading, writing, and mathematics which are primary to all career preparation.

4. Vocational preparatory training for immediate job entry appropriate for high school age youth.

Funds could continue to be distributed through the existing state education agencies.

E. The second bill, building on the foundation skills and attitudes developed in American youth during the elementary and secondary school years, would provide a direct linkage to regional and national economic recovery and development. This legislation should be aimed at high school graduates and anyone over 17 years of age who is not enrolled in a high school diploma program. Specific program components supported by this bill might include:

1) Long-term and short-term career preparatory training programs.
2) Customized training for new or expanding business.
3) Occupational upgrading and retraining.
4) Cooperative education programs.
5) OJT and apprenticeship programs.
6) Industry/labor/school exchange programs.
7) Instructor upgrading programs.
8) Obsolete equipment replacement.
9) Job development and placement.

To facilitate the relationship of these programs to the greater goals of economic recovery and development, I would recommend that:

1. Cooperative linkages with business, labor and post-secondary education be mandated so that delivery of program services would be conducted by all three segments, either separately or jointly.
2. Funding be distributed by whatever state agency is charged with responsibility for economic development in any particular state. This would encourage the tri-part cooperation of business, labor and post-secondary education and would promote training programs responsive to broader regional labor market needs.

Senator QUAYLE. Thank you very much.

[Whereupon, at 12:10 p.m., the subcommittee adjourned, subject to the call of the Chair.]

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